

MARKETS
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FR

London	Sch 18	Indonesia	Rp 2500	Portugal	Esc 80
Australia	A\$ 99.00	Italy	11200	S Arabia	Riy 8.00
Canada	C\$ 99.00	Japan	100	Singapore	S\$ 4.10
France	FFr 6.55	West Germany	DM 3.40	Spain	Pes 160
India	Rs 10.50	Belgium	100	Switzerland	Sfr 2.00
Netherlands	D 2.20	Holland	100	UK	£ 1.00
New Zealand	N\$ 4.50	Denmark	100	USA	\$ 1.50
Philippines	Ph 20	Finland	100		

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The privatisation of Britain's warship yards, Page 8

No. 29,387 Friday August 3 1984 D 8523 B

NEWS SUMMARY

GENERAL
Hostages freed in French jet hijack

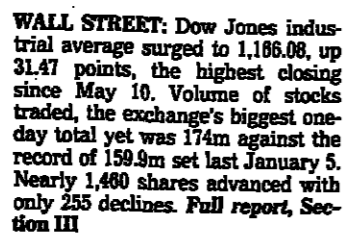
Hijackers holding a French airliner have released their hostages and surrendered after an explosion rocked the Boeing 737 parked on Tehran airport.

All passengers were reported safe, although the fate of the crew is not known. The hostages were led from the jet before the explosion, which destroyed the cockpit. The Air France jet was seized by three hijackers on Tuesday during a flight from Frankfurt to Paris.

None of the hijackers' demands, including the release of five Israeli captives in France for terrorism, were met.

BUSINESS
Wall St surges to close up 31.47

WALL STREET: Dow Jones industrial average surged to 1,166.08, up 31.47 points, the highest closing since May 10. Volume of stocks traded, the exchange's biggest one-day total yet, was 1.74m against the record of 1.59m set last January 5. Nearly 1,460 shares advanced with only 255 declines. Full report, Section III



Plaque to massacre
Los Angeles has unveiled a plaque to the "shining memory" of 11 Israeli athletes killed at the Munich Olympics 12 years ago.

Windsurfer held
A Frenchman is being held by Soviet security forces after windsurfing 43km (30 miles) from Japan to the island of Sakhalin, a strategic base banned to foreigners.

Mondale's attack
Democratic presidential candidate Walter Mondale attacked President Ronald Reagan's handling of the Soviet proposal to hold talks on space weapons, Page 4

Honecker's pressure
East European diplomats in East Berlin said Moscow had stepped up its pressure on East Germany's leader Herr Erich Honecker to cancel a planned visit to West Germany in September, Page 2

Sakharov honoured
A U.S. Senate committee has voted to rename the site of the Soviet embassy in Washington Andrei Sakharov Plaza in honour of the Soviet dissident.

Napalm victim treated
Kim Phuc, the Vietnamese girl whose picture as she fled in terror from a U.S. air raid shocked the world, has begun treatment in Ludwigshafen, West Germany, for 12-year-old napalm wounds.

Zimbabweans jailed
Six former guerrillas found guilty of attacking Zimbabwe Prime Minister Mr Robert Mugabe's house in 1982 have been sentenced to jail terms ranging from 12 to 25 years.

Subsidies halved
Irish Government is halving subsidies on bread, milk and butter because of the serious state of its finances.

Block to child claim
An Australian law that took effect this week will deny a Sydney man's claim to the paternity of a child whom a surrogate mother refused to give up.

Murder allegations
Six Argentine human rights groups have submitted to the Senate a list of 886 military officers they claim were involved in the disappearance of thousands of people under military rule.

Spirit of protest
Thousands of Poles have pledged to refrain from drinking vodka this month as a protest against repression called by the church and banned Solidarity trade union, Page 2

Brussels halts competition suit after IBM pledge

BY PAUL CHEESERIGHT IN LONDON AND GUY DE JONQUIERES IN LONDON

THE European Commission agreed yesterday to suspend competition proceedings against IBM of the U.S., the world's largest computer maker, in exchange for an undertaking by the company to amend its business practices.

IBM's undertaking, which relates chiefly to disclosures of information needed to attach products to its Series/370 computers, lasts until at least 1990. The company may withdraw it at a year's notice from January 1989.

The Commission has reserved the right to reopen legal proceedings against IBM, however. It plans to monitor IBM's compliance closely and emphasised that the company must observe the spirit of its undertaking as much as the specific provisions in it.

Mr Frans Andriessen, the competition commissioner, said that by requiring IBM to disclose information more fully and promptly, the settlement should enable indigenous European computer suppliers to make products which could be attached to IBM systems.

European companies should be able to capture a larger share of EEC markets, where IBM is the largest supplier of computer equipment with an estimated 60 per cent of the market for mainframe computers.

Mr John Opel, IBM's chairman, welcomed the settlement. "This undertaking satisfies the Commission's desires and puts the matter behind us, without requiring us to make significant changes in how we do business," he said.

Continued on Page 10

Safmarine holding merger talks with Rennie's

By Jim Jones in Johannesburg

SAFMARINE, South Africa's national shipping line, has reached an advanced stage in merger negotiations with Rennie's, the diversified shipping and hotel trading group.

A merger of the two companies, if completed, would create a group with annual turnover of at least R1bn (\$602m), ranking it among the country's 20 largest industrial groups.

The two companies were reluctant last night to discuss the proposed merger in any but general terms. They say, however, that significant rationalisation benefits

are expected to facilitate expansion of the shipping and leisure interests currently owned.

The merger discussions are the culmination of a gradual convergence of interests between Safmarine and Rennie's, which began in the middle of last year when Safmarine bought an 18.75 per cent interest in Sun International, the casino and resort group formed from the merger of the gambling interests of Rennie's, and the Southern Sun hotel group outside South Africa.

The acquisition led to the sale by the state-owned Industrial Development Corporation of its 49 per cent interest in Safmarine, early this year, leaving Old Mutual, the country's largest insurance group, as the largest individual shareholder in Safmarine.

Our London Staff adds: The Industrial Development Corporation's sale last year of its stake in Safmarine came amid fears of a political outcry over the state's inadvertent involvement in casino gambling.

South Africa does not allow casino gambling within its borders. As a result, demand for this form of entertainment is satisfied in neighbouring states and the so-called "independent national states" of Transkei, Ciskei, Venda and Bophuthatswana.

The Safmarine link with Southern Sun was seen by influential church groups and supporters of the ruling National Party as tantamount to state involvement in a gambling industry not permitted in South Africa.

Commerzbank head warns on interest rates

BY JONATHAN CARR IN FRANKFURT

THE BUNDESBANK, the West German central bank, has been warned against raising key interest rates by Dr Walter Seipp, head of the Commerzbank. He said that higher interest rates would bring tension in the European Monetary System (EMS).

His warning comes amid speculation that the central bank council might consider boosting discount and/or Lombard rate at its meeting next Thursday.

One strong argument in favour of a rise would be to help to steady the D-Mark against the high-flying U.S. dollar, and discourage a further outflow of funds into high-interest-bearing dollar investments.

At a press conference, Dr Seipp said that despite the high dollar level against the D-Mark, the German currency was not generally weak. A rise in key German interest rates would therefore bring upward pressure on the D-Mark against the currencies of partner countries in the EMS, Dr Seipp said.

The speculation has been at least partly fuelled by the Bundesbank's decision on June 29 to raise the discount rate by 0.5 per cent to 4.5 per cent - the first increase for about four years.

The bank argued that that step was partly to neutralise the DM 5bn increase in liquidity which it offered simultaneously to the banks and did not imply a tighter monetary policy.

None the less, the Bundesbank action put the issue of key interest rate increase "back on the agenda again," at a time of a strengthening dollar and net - albeit still quite modest - long-term capital outflows from Germany.

Simultaneously, the Bundesbank has also been urging the Bonn Government publicly to abolish the tax

Continued on Page 10

Zanussi rescue may be at risk in debt row

BY ALAN FRIEDMAN IN MILAN AND CARLA RAPOPORT IN LONDON

THE RESCUE of Zanussi, the troubled Italian domestic appliances group, by Electrolux of Sweden appears to have been seriously threatened by a disagreement over repayments to foreign creditor banks, which are owed a total of \$65m.

The last-minute snag, which comes after many months of negotiations, concerns a proposal that Zanussi's foreign banks accept a lump sum payment of 70 per cent of their outstanding debt exposure as full settlement.

Several foreign banks complained yesterday that they were being unfairly treated since the Italian bank creditors of Zanussi, which hold the bulk of the group's L1,046bn (\$588m) total gross debt, are to reschedule the debt over seven years and will simply reduce the rate of interest payable.

"Not even in South America have we been asked to write off 30 per cent of our principal," one agitated foreign banker said.

A senior Italian banker, who has been deeply involved in the Zanussi crisis talks, said the foreign banks' anger meant chances of a successful rescue going ahead were no better than 50-50.

Sig Gianfranco Zoppas, the Zanussi chairman, said last night the interest rate sacrifices of the Italian banks, which will mean their foregoing L200bn of interest, "amounts to the same 30 per cent loss."

Mr Anders Sharp, the Electrolux president, said yesterday the disagreement between the banks was "quite serious." Speaking from Mansfield, Ohio, where he and other top executives were attending an annual meeting with a U.S. subsidiary, Mr Sharp said: "If (the banks) cannot agree, I doubt if the deal can go through."

Mr Sharp still held out hope that the differences could be resolved in the next two weeks, however.

He confirmed that Zanussi sales had suffered in the second quarter in Italy, but said the group was performing near the industry average in the rest of Europe.

Sig Zoppas, who took over as Zanussi chairman only a few months ago, said foreign banks were told at a meeting in London last week that

Zanussi's European market had deteriorated recently.

Sales were down and the product mix was poor.

Sig Zoppas said both Zanussi and Electrolux had this week complied with the bank creditors' request for detailed information, including fully audited accounts for 1983 and a trading report for the first five months of this year.

More than 20,000 jobs in the north eastern Italian region of Friuli and the survival of one of Europe's leading white goods makers are at stake. Under the Electrolux rescue plan the Swedish company is to take an initial 49 per cent of Zanussi and will buy L100bn of bonds convertible into Zanussi shares for which it could eventually boost its stake to 75 per cent.

In addition Electrolux would pay off the foreign banks, on the basis of 70 per cent, at a cost of about \$45.5m.

AEG to receive DM 650m from ANT in arbitration agreement

BY JONATHAN CARR IN FRANKFURT

AEG-TELEFUNKEN, the West German electrical concern, will receive DM 650m (\$233m) in final payment from the buyers of its former telecommunications subsidiary, ANT Nachrichtentechnik.

That is the key element of an arbitration accord reached after many months of dispute between AEG and ANT's present owners, Bosch (electricals), Mannesmann (engineering) and Allianz (insurance).

Word of the agreement emerged too late yesterday to influence the AEG share price, which closed only 50 pence up at DM 91.

The news is bound to be seen, however, as a further big boost for AEG, which struggled out of deficit last year after prolonged losses that forced it to seek court protection from its creditors in 1982.

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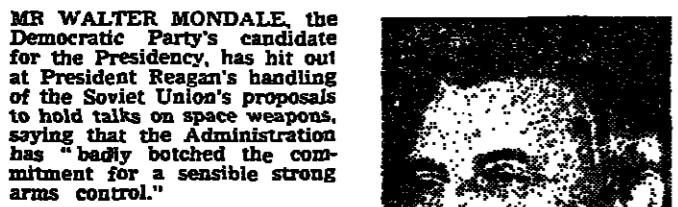
For further details, contact: ROBERT BATES on 01-385 5545

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AMERICAN NEWS

Mondale hits out at Reagan's handling of space weapons issue

BY STEWART FLEMING IN WASHINGTON



MR WALTER MONDALE, the Democratic Party's candidate for the Presidency, has hit out at President Reagan's handling of the Soviet Union's proposals to hold talks on space weapons...

N-power plant will convert to coal

By Terry Dodsworth in New York

PLANS for converting a big nuclear power project to coal were announced yesterday by Cincinnati Gas and Electric of Ohio...

They don't shoot pigeons, do they

IN 1900, Britain won an Olympic Games bronze medal in an event that was brusquely entitled, "Live Pigeon Shooting."

pany of Cooper's wife, Sarah, herself an Olympic shooter, and the small posse of British Press that had chosen Chino to hunt for a medal...

formance of 51st place finisher, Alfredo Pellicioni, of San Marino, who scored 1,041 and would have been no threat to the live pigeons.



Michael Thompson-Noel reports from LOS ANGELES

Mondale... accusing Reagan of "botching commitment."

The U.S. and the Soviet Union have agreed to ease travel between the two countries for diplomats and exchange students, the State Department said yesterday.

Administration, for its part, has been determined not to let the Soviet Union have a moratorium on testing on anti-satellite weapons which appeared to be the main prize the Soviet Union was after.

President Reagan himself carefully avoided on Wednesday giving any suggestion that the talks will not take place.

Mr Mondale is clearly determined to make the issue of relations under President Reagan a major campaign theme, but the

Secret talks on Nicaragua may result in Ortega visit to U.S.

BY TIM COONE IN MANAGUA

THE THIRD round of talks in two months between Nicaragua and the U.S. in Manzanillo, Mexico, has concluded without official comment.

The Nicaraguan Government has repeatedly insisted on direct talks with the U.S. to try to put an end to the U.S.-backed guerrilla war in the country.

to 1908 to find the last small-bore rifle gold, when Britain won the events for smallbore rifle (prone), smallbore rifle (moving target), smallbore rifle (standing), and smallbore rifle (team).

Approval for \$750m IDA contribution

A Congressional subcommittee yesterday tentatively approved a \$750m (\$572m) 1985 U.S. contribution to the International Development Association (IDA) but urged less be loaned to India and more to Africa.

Representative Mickey Edwards, an Oklahoma Republican, said the IDA should have indicated India and China would receive between 40 and 50 per cent of the IDA loans, with Africa receiving between 26 and 30 per cent.

El Salvador guerrillas' tactics change

SAN SALVADOR President Jose Napoleon Duarte says he expects Left-wing guerrillas to launch an autumn offensive in western El Salvador, an area relatively untouched by the country's civil war.

Military experts said a successful rebel campaign in the West, where nearly 40 per cent of the country's coffee is produced, could have devastating effects on El Salvador's already battered economy.

WORLD TRADE NEWS

Haig visits Ankara to lobby for Boeing

By David Barclay in Ankara

AS BIDDING for the contract to supply Turkish Airlines with its next generation of passenger aircraft entered the final stages, General Alexander Haig, the former U.S. Secretary of State, has arrived in Ankara to lobby on behalf of the Boeing 757 and 767.

Turkish Airlines is proposing to buy three new passenger airplanes with an eventual option to purchase eight more. The field has been narrowed down to the Boeing 757 or 767 and the European Airbus A-320.

Originally considered a hopeless outsider, the chances of the Airbus winning at least part of the order now look strong.

In the Turkish view a shared order would not be uneconomic as the chief factor involved is the number of flight crews for training on the different planes and there is currently a surplus of available flight staff.

General Haig is understood to be in Ankara as a consultant to the Boeing Corporation. He is one of the most popular foreign faces in the Turkish capital, being regarded as staunchly pro-Turkish both from his days at Nato supreme commander in Europe and from his time as U.S. secretary of state.

However it is pointed out here that his visit is intended only to match one earlier this year by the Bavarian prime minister, Herr Franz Josef Strauss, who lobbied vigorously on behalf of the Airbus.

Something for everyone in Brussels' IBM settlement

BY GUY DE JONQUIERES

THE LONG-AWAITED settlement of the EEC competition case against International Business Machines, announced yesterday, is a landmark of all true compromises: it offers something to everyone concerned but forces nobody to yield on fundamental principle.

Exactly who got the most out of it, however, is likely to be debated in Brussels and the computer industry for some months to come.

The Commission can claim to have extracted some significant commitments from IBM, which the company has been unwilling to concede previously: the rest of the computer industry stands to gain better access to information about IBM's new products; and a serious upheaval in relations between IBM and its customers has been avoided.

For IBM, the settlement marks the end of a tense political confrontation with Brussels. The company has got itself off the hook without admitting any wrongdoing and — as its chairman, Mr John Opel, said yesterday without making any changes in its business practices.

It has agreed to observe stricter rules in publishing information about the "interfaces" which enable its large "mainframe" computers and processors to be linked to other pieces of equipment. But it has

safeguarded what it has always considered the bedrock principle in the EEC case: its right to keep secret the essential design information about the inner workings of its machines.

This is particularly important for IBM in its fierce battle with Japanese manufacturers Fujitsu and Hitachi, which are the only companies still able to mount a serious challenge to its supremacy in mainframe processors.

Yesterday's agreement is expected to have most impact in the market for peripheral equipment such as terminals, data storage and networking devices. Ironically, some in the industry believe that, if the settlement works out as the Commission hopes, it may further enhance the pre-eminence of IBM's technical standards worldwide.

About three quarters of the world's large computers are already of the 370-type, which were the focus of the EEC case. But some manufacturers have hesitated about making peripheral equipment designed to attach to IBM systems, partly because they feared that they could not obtain quickly enough the "interface" information needed to connect it.

If the Commission's hopes are realised, such information should be available on a more



Parties to the settlement: Mr Frans Andriessen, EEC competition commissioner (left), and Mr John Opel, IBM chairman.

regular basis than before. If other companies use it in their equipment, they will help to widen still further the market for IBM-type products.

IBM committed itself yesterday to announce in the EEC new 370-type equipment and software which plans to sell in the Community as soon as they are announced anywhere in the world. It will issue the relevant "interface" information within 120 days, instead of waiting until the first customer delivery was made, as in the past.



Parties to the settlement: Mr Frans Andriessen, EEC competition commissioner (left), and Mr John Opel, IBM chairman.

This appears a relatively minor concession, since the Commission calculates that the delay between announcement and delivery for 370-type processors have averaged less than seven months since 1970—though in a few cases it has been as much as two years.

Probably more important is the scope of the "interface" undertaken to provide. In the information which IBM has agreed to provide, it has agreed in future, to give a technical description "sufficient to enable a competent professional skilled in the art to attach a peripheral to an IBM System/370 product."

It has also agreed to publish fuller and prompt details of changes to Systems Network Architecture (SNA), its proprietary technique for computer communications.

Information about SNA is becoming increasingly vital to IBM's competitors, as computing and communications converge in rapidly growing markets such as office automation.

IBM has also made a gesture towards Open Systems Interconnection (OSI), a set of internationally agreed rules designed to enable all kinds of computer to communicate. It acknowledged for the first time that it supported OSI—which many of its rivals are backing as a challenger to SNA—as "the" standard for linking computer systems.

It will be difficult to judge the full practical consequences of the EEC settlement until IBM indicates more clearly how it will implement the detailed terms of the agreement. It may, for instance, whether it plans to meet the disclosure timetable by delaying product announcements until 120 days before it is ready to make the first shipment.

In some areas, the wording of the company's undertaking is necessarily vague and its interpretation will rely to a degree on subjective judgment. This is particularly so in relation to the timing of disclosure of information about software, a somewhat amorphous commodity which defies the precise engineering measurements applicable to computer equipment.

Mr Opel does the document attempt to define the exact boundary between the "interface" details which IBM is bound to divulge and the proprietary design information which will remain secret. Computer engineers have differed over the distinction in the past, and there could be disagreements on this point in the future.

The Commission is, however, relying on IBM to carry out its undertaking in good faith. Moreover, Mr Frans Andriessen, the EEC competition commissioner, has made clear that he expects the company to give a priority to observing the spirit of its commitment over the specific provisions it contains.

In the last resort, however, the Commission is keeping a shot in its locker. It judges that IBM has failed to toe the line, Brussels reserves the right to reactivate its legal processes at any time up to 1990.

France to make fuel for Ariane space rocket

BY DAVID MARSH IN PARIS

FRANCE HAS taken a symbolic step towards reducing dependence on the super-powers in the strategic business of space technology. The crowd of U.S. agencies to watch the 10th lift-off of Ariane, the European space rocket, scheduled for Saturday from the launch site of Kourou, French Guiana, will be confined to the launch site, after two decades of space development, France has finally come up with a home-produced rocket.

France, which has led the \$1bn Ariane programme with a share of more than 60 per cent of development costs, has built its own plant, at the Toulouse factory of the Societe Nationale des Poudres et Explosifs (SNPE), to produce a vital component of the Ariane rocket fuel.

This is a chemical called UDMH (unsymmetrical dimethyl hydrazine) which is mixed with hydrogen tetroxide to provide the thrust in the first and second stages of the three-stage rocket.

EEC drivers want to increase Comecon traffic

By Ivo Dawson in Brussels

EEC LORRY drivers are pressing for a larger share in the traffic between the Community and the Comecon countries in a bid to increase jobs.

A recent European Commission report confirms their unions' claims that Eastern European hauliers carry nearly double the quantities transported between the two blocs by EEC-based lorry freight companies.

The latest figures are expected to confirm findings for 1981 which showed East-bloc lorries command 59 per cent of the trade while those of the Ten take 30 per cent, leaving 11 per cent in the hands of third countries.

Singapore's export credit agency makes first loss

By Chris Sherwell in Singapore

THE EXPORT Credit Insurance Corporation of Singapore (ECICS), the island state's equivalent of Britain's ECICID, has reported its first net operating deficit since beginning operations in 1976.

The agency says it has paid out almost \$87m (£22.5m) in the first five months of 1984, against premium earnings of \$880,000. In 1983 it paid out a record \$930.3m, and its net operating surplus plunged to \$83.75m from \$812.47m in 1982.

This year we're prepared to meet with possibly our first net operating deficit," the agency says in its official newsletter, confirming a trend seen in export credit insurance agencies in other countries.

Soviet-Egyptian trade to be expanded

By Tony Walker in Cairo

EGYPT and the Soviet Union plan to increase the volume of trade in 1985 to more than \$1.5 billion, Dr Ivan Markovskiy, the Soviet trade representative in Cairo, said this week.

The Soviet official was commenting on the latest round of trade talks with Egypt conducted over the past several weeks. These follow the signing last year of a new trade protocol after a lapse of six years because of strained relations between Moscow and Cairo.

The two countries recently announced they would restore full diplomatic relations. Ambassadors are expected to be exchanged this month. Egypt will send a trade delegation to the Soviet Union next month.

Unitary tax plan fails to satisfy Japanese

By David Barclay in Tokyo

JAPAN is not fully satisfied with the exacting made by Mr Donald Regan, the U.S. Treasury Secretary, on the controversial unitary tax system under which states tax multinational companies on their worldwide as well as in-state operations, the Foreign Minister said yesterday.

A task force led by Mr Regan on Tuesday urged President Reagan to seek legislation to end unitary tax if states refuse to take action by July 1985. The recommendations also call for the "water's edge principle" meaning that state tax jurisdiction cannot be extended abroad.

The ministry, in a statement, said it feared that foreign parent corporations could still be subject to taxation on their worldwide operations, although it regarded the "water's edge principle" as an improvement.

AP

NEC wins Thai deal

By David Barclay in Tokyo

Japan's NEC Corporation said it has won contracts worth the equivalent of \$300m (£150m) from the Telephone Organisation of Thailand for the supply of 547 digital switching systems, Reuter reports from Tokyo.

Babcock \$60m order

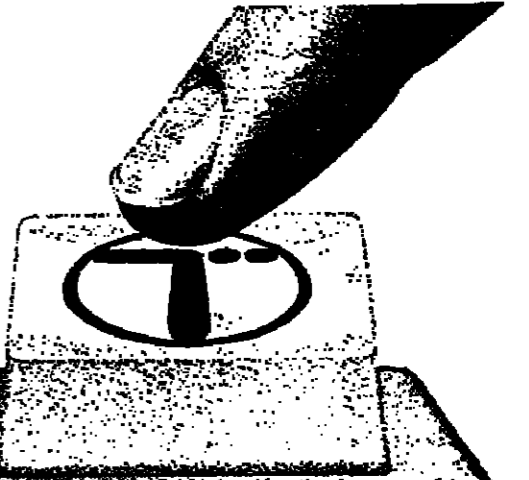
Babcock International's Italian subsidiary, FATA European Group, has won an order worth \$60m for an industrial spare parts and hand-tool manufacturing factory near Addis Ababa, Ethiopia, the London-based engineering group announced yesterday, Our Trade Staff writes.

U.S. and Mozambique

By David Barclay in Washington

The Overseas Private Investment Corporation, Opic, a U.S. government agency, said Wednesday it had signed a private investment agreement with the Government of Mozambique, AP-DJ reports from Washington. The agreement will permit Opic to provide political risk insurance to U.S. companies making investments or engaging in certain other business activities in Mozambique.

Press for Olympic gold



At 4.00 pm on August 1st in Los Angeles, Malcolm Cooper won the first gold medal for Britain in the 1984 Olympic Games. British Telecom is playing a major part in putting the action on your television screen – as it happens.

Our Earth Stations are relaying this year's Olympics to over 20 European countries.

But gold medals aren't the end of the story.

British Telecom also transmits major sporting events such as Wimbledon and the Commonwealth Games, and receives others like the Grand Prix and the US Open Golf.

With events like these, British Telecom is bringing both news *and* business to Britain.

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UK NEWS

BA will service Boeings abroad

By Our Labour Staff BRITISH AIRWAYS (BA) is to send its fleet of 28 Boeing 747 aircraft to Hong Kong this winter for refurbishment under a contract worth almost £3m with the Hongkong Aircraft Engineering Company (Hae-co).

Thatcher takes softer line on coal strike

BY OUR POLITICAL AND LABOUR STAFF

MRS MARGARET Thatcher, Prime Minister, noticeably softened her public line on the miners' dispute yesterday during a series of television and radio interviews.



Mrs Thatcher: "not talking of defeat or victory"

There was none of the tough rhetoric of the past fortnight, no references to the "enemy within" and no mention of Mr Arthur Scargill, the president of the National Union of Mineworkers (NUM).

Her tone was more "in sorrow than in anger." She emphasised the degree of agreement in the House of Commons on Tuesday about the case for closing uneconomic pits. She claimed that arguments about the procedures for closure had not been explained by Wednesday's statement from the National Coal Board.

Consequently, she said, "there is no reason for the strike to continue." Mrs Thatcher explained that she was not "talking about defeat or victory. What I am talking about is being able to carry on exactly as we did before, with the best deal the miners have ever had."

"We will be contacting various institutions where South Wales miners might have funds and taking control of those funds," a spokesman said. "We are confident of reaching a satisfactory conclusion."

A union spokesman at Pontypridd said miners at the NUM building were receiving "tremendous public support." He added: "People keep stopping outside the door and leaving food for us."

The National Coal Board (NCB) is expected to decide today whether to withdraw its latest offer or leave it on the table for any further negotiations.

Mr Ian MacGregor, the NCB chairman, is hoping that the back-to-work movement will gather momentum. His last offer to the union included the possibility of negotiating pit closures where reserves of coal could no longer be "beneficially" developed.

The plan also offered to delay the closure of 20 pits with the loss of about 20,000 jobs, and to review the closure of five other collieries. Mr MacGregor believes that these proposals have considerable support among miners who favour a return to work.

Power bill up £20m a week

BY MAURICE SAMUELSON

THE MINERS' strike has set the cost of electricity to consumers at £20m a week more than it would have been otherwise, according to a spokesman for the Central Electricity Generating Board (CEGB).

The umbrella board for the 12 area electricity boards in England and Wales as well as the CEGB, said yesterday: "The council is the umbrella board for the 12 area electricity boards in England and Wales as well as the CEGB."

The most significant factor was that the CEGB was currently buying much less coal than it would normally buy. It would not therefore be possible to say with confidence what the total cost of the strike had been to the CEGB until after the strike was over.



Mr Cecil Parkinson: hint of another Cabinet job

Parkinson likely to return

Financial Times Reporter

MR CECIL Parkinson, the former Trade and Industry Secretary, may return to the Government later in the life of this Parliament, but not in the expected autumn reshuffle of ministers, Mrs Margaret Thatcher said yesterday.

Mr Parkinson resigned last October after admitting that his secretary was expecting his child. During a series of radio and television interviews at the end of the parliamentary session, Mrs Thatcher indicated her hope that the reshuffle would not be too great. She confirmed, however, that there might be a shake-up at middle and lower levels of the Government.

"You always have to have a reshuffle at this time of year to enable young people who have great ambitions for climbing the political ladder to have their chance to come to the top, and that of course means some people have to relinquish their portfolios," she said.

N-stations are given a clean bill of health

BY DAVID FISHLOCK, SCIENCE EDITOR

AFTER 250 reactor years of operation, the first generation of British nuclear power stations have just been pronounced remarkably fit for their age.

Painstaking appraisal of the health of the Magnox reactors, designed in the 1950s for a 20-year life, has convinced the electricity industry that they are good for at least 30 years.

Sir Walter Marshall, chairman of the Central Electricity Generating Board (CEGB), hinted yesterday that they might be good for 35 years.

Fears in the late-1980s that the Magnox reactors might be heading for an early death have been totally dispelled. Two of the stations are already 22 years old.

The CEGB "doctors" led by Dr Bryan Edmondson, director of the Nuclear Operations Support Group, have peered deep into 16 reactors and pronounced them fit for many years yet.

MAGNOX STATIONS table with columns: Station Name, Start Rating (MW)

"workhorses" of UK electricity supply, as a previous CEGB chairman once called them. Between them, they provide the CEGB with 3,445 MW of electricity capacity.

The designers of the Magnox reactors had their own worries, one being corrosion of the massive graphite core of the reactor by the hot carbon dioxide coolant gas.

Since it would be impractical to replace the graphite, any deterioration would certainly end the life of the Magnox reactors. Their designers cautiously assumed a lifespan of 20 years.

In 1968, when the first Magnox stations were only seven years old, a new worry arose. Mild steel parts in the core were corroding much faster than the designers expected.

The answer was to reduce the operating temperature of most of the Magnox reactors. It was judged better value to run them at reduced electricity output rather than risk shortening their lifespan.

In the late 1970s another worry arose when cracks were detected in the hot gas circuit outside the core. They were thought to have been there since the parts were first made, brought to light only by better inspection techniques.

James Capel tops Continental list

BY ALISON HOGAN

JAMES CAPEL and Scrimgeour Kemp-Gee have kept first and second place as the City's favourite investment analysts in the 11th annual survey of Continental Illinois Investment Corporation published today.

They gained the highest number of points and were also the only two to receive a "very good" rating for overall standards of research from 104 institutional investors with more than £120 billion of funds under management.

Scrimgeour Kemp-Gee and Philips & Drew, who kept third place, increased their share of the votes, closing the gap with James Capel. Fielding Newson-Smith and Rowe & Pitman have re-entered the Top Ten while Hoare Govett and Savory Mills have slipped out, though still performing well in some of their specialist areas.

BASE LENDING RATES table listing various banks and their rates

Telephone tapping a violation, say judges

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

GOVERNMENT-authorised telephone tapping in the UK has been condemned by the European Court of Human Rights in Strasbourg as a violation of human rights.

The same year he tried unsuccessfully to sue the police in the High Court, alleging that he had been kept under surveillance and his telephone tapped by the police since 1971.

'Jack' Weatherill eases doubts

NO ONE will greet the long summer parliamentary recess with more relief than Mr Bernard Weatherill, the Speaker of the House of Commons. He is the MP who presides over parliamentary debates.

Peter Riddell, Political Editor, assesses the performance of the Speaker in "frustration Parliament"

Questions about how a Speaker performs are difficult to define. They depend on the "feel" of the House, its continuing changing moods and the fine line between vigorous debate and disorder.

Flannery and Mr Dennis Skinner. He also displayed some subtlety in defusing a potentially serious disruption by Mr Dale Campbell-Savours.

There is also a running dispute over the allocation of Opposition days, debates chosen almost entirely by Labour, over which the Speaker has no control.

FT writers draw up their personal top ten

When you can't conquer . . . capitulate



IN TIME one acquires some respect, however grudging, for worthy adversaries. Certainly I am impressed by the ingenuity of some weeds and the brute tenacity of others, though both have caused me a great deal of wasted time, effort and money.

TOP WEEDS (Not in order of obstinacy)

- Wood sorrel
Sheep's sorrel
Ground elder
Veronica filiformis
Allium triquetrum
Cleavers
Couch grass
Bindweed
Bracken
Horsetail

lively to the grass, one need look for nothing better. An alternative is alkyonin sodium (Weed Out), which kills couch grass slowly but effectively without doing more than superficial damage to other plants.

NOTICE AMENDMENT AND FINAL EXTENSION Pengo Finance N.V. Amends and Extends its Offer to Exchange its Class A Non-Interest Bearing Convertible Senior Subordinated Guaranteed Debentures due 1991 and its Class B Non-Interest Bearing Convertible Senior Subordinated Guaranteed Debentures due 1991 for its 8 1/2 per cent. Convertible Subordinated Guaranteed Debentures 1995

Arthur Hellyer Tomorrow: The world's best hotels

THE ARTS

Cinema/Nigel Andrews

Miscellany under the volcano

Taormina Film Festival... Lenny Hearts, directed by Paul Cox... Those Glory Days, directed by Philip Saville... Bleak Moments, directed by Mike Leigh



Daryl Hannah and Aidan Quinn in "Reckless" —rebels on a motorbike

There is a theory at the Taormina Film Festival that the rumblings of nearby Mount Etna are in direct proportion to the quality or otherwise of the festival's movies.

This year Etna spent the first three days in just such a fury and then gradually calmed down. The soothing influence was undoubtedly the First Prize winner, Tony Gatil's Les Franches

Around the remains of these relative colossi, however, the lone and level also runs stretched far away. Gabor Body's Night Song of the Dog is a long, darkly photographed and deeply unyielding Hungarian allegory that prompted rude remarks about how to dispose of the Body. El Caso America (the Almeria Affair) from Spain is a real-life assassination mystery about a murdered General (Valenzuela, in Madrid, 1981).

Better, but only just, were Rafal Zielinski's Hey, Babe! from Canada, enforcing an unlikely but lively pace de deux between teenage New York punkstress and would-be dancer Yasmine Bleeth and snow-haired Broadway ex-agent Buddy Hackett, and Marva Nabil's American verité-style tale of an immigrant Oriental family in New York has good moments but they are sandwiched

between equal moments of chaos and 'mout', especially those involving the poetry, which Vietnamese lady cousin which is read out over the soundtrack and sounds like Paul Verlaine translated by Barbara Careland. But the Iranian-U.S. Miss Nabil has a good eye for casual scenes that yield a more than casual meaning.

Best of the London films this week is Paula Coxs Lonely Hearts. Coxs made the recent film of Strindberg's The Father. She also stars the dapperly distraught Norman Kaye, as a bachelor seeking someone to share his heart and hearth with. Enter Wendy Hughes, aloof and goody-eye but with a touch of celluloid if he is to keep the wrath of Etna at bay and the enthusiasm of critics and filmmakers still bubbling.

Sweden's The Dark Side of the Moon, directed by Lennart Hjulstrom, is also superbly lit and designed. But the 1980-set story is less lambent being the will-they-won't-they-get-together romance between a

placid lady mathematician and a philandering Professor (Eirikr Modign's Tommy Berggren), "Charlotte Brontë slept here" one felt like murmuring in the film's more sedate moments. Handsome to look at, though, and it nabbed the festival's second prize, the Silver Cariddi.

No necromancy, alas, can restore James Mason to our screens. Mason was a wonderful tonic in wartime and post-war British cinema. No tweedy stiff-upper-lip merchant he, but a varnished rogue with a Byronic, handsome face and a voice that was smooth and lyrical like Irish coffee. Hollywood squandered him when he went thither in the late '40s, but it is entirely their loss, but at least three films showed what an international talent he could have been: A Star Is Born, North by Northwest and Lolita.

James Mason in "Dr Fischer of Geneva" —no visible replacement

Arts Week F S Sa Su M Tu W Th 3 4 5 6 7 8 9

Theatre

TOKYO

Cats (Cats Theatre): The special text theatre, excellent set, good dancing and Kabuki-derived movement make the Japanese version worth seeing. Shiki Company, directed by Keita Asari. (3501691).

LONDON

Little Shop of Horrors (Comedy): Stamp off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an erotically seducing man-eating prickly plant. (8302578).

Music

VIENNA

Brno Philharmonic Orchestra conducted by Neville Martinson. Forms Liszt, Kodaly and Brahms. City Hall Arcade Courtyard (Tue). (42802085).

BRUGES

Tablet Scholers and London Baroque: English Baroque Music. Ooze-Lieve Vroukerk, Bruges (Mon).

SALZBURG FESTIVAL

The Academy of St. Martin-in-the-Fields conducted by Neville Martinson. Soloist Barry Tuckwell: Richard Strauss and Beethoven (Mon) Large Festival Hall. (0682-42541).

PARIS

Piano-duo: Schubert, Grieg, Dvorak, Brahms (Tue 6.30pm). Town Hall of

The Real Thing (Strand): Jenny Clavys and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex and flawed new play. Peter Wood's production strikes a happy note of serious levity. (3362660/4143).

NEW YORK

On Your Toes (Palace): Rodgers and Hart's 1936 musical is a genuine classic with Makarova lifting her heels behind her ears and finding a brilliant opposite number in Tim Flavin. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (4376834).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (6449450).

LONDON

BBC Symphony Orchestra conducted by Gunther Herbig with Wolfgang Manz, piano. Brahms and Tchaikovsky. Royal Albert Hall (Mon). (2599465).

Piano in Provence

La Roque d'Anthéron 4th International Piano Festival until Aug 21 is in a Provencal village surrounded by immense forests.

Opera and Ballet

WEST GERMANY

Bayreuth: Bayreuth's festival until August 29. This week of performances starts with Gotz Friedrich's production Parsifal. It is Peter Hofmann in the title role and Waltraud Meier as Kundry. The Flying Dutchman is a Harry Kupfer revival, conducted by Woldemar Nelsson, and has last year's highly acclaimed Simon Estes in the title role.

Exhibitions

ITALY

Venice: Amid continual justified complaints about the increasingly over-inflated opening hours of most Italian museums and art galleries, the Guggenheim Collection, from having been one of the least accessible, has become the most - and will now be open every day (except Tue) from 10 to 6pm (also Sat from 6 to 9pm free of charge). The Saturday evening opening is the result of an agreement between the Solomon R. Guggenheim Foundation of New York and Montedison.

LONDON

The Tate Gallery: The Hard-Won Image - this summer's sequel to last year's New Art - is a personal survey by the Museum's chief, the British figurative painter and sculptor from the late 1950s to the present. It is a useful and even important show for it makes the point about art in spite of itself that figurative art, far from being revived in recent years, never actually went away. The strength in depth of our figurative artists in this period is indeed gratifying.

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the museum has a changed look. The depth and breadth of its considerable collection. No longer is it a boutique of the modern classics but more like a department store, with double its previous exhibition space and room for such examples of modern design as a whole helicopter.

VIENNA

The Cliebe and the reality of Viennese women in their fight for emancipation at the turn of the century. Hermsvilla, Linauer Tiergarten. Until March 1985.

BRUSSELS

The Tyroler Nation 1790-1829: Prints and paintings illustrate the Tyroler peoples' fight against Napoleon and their further struggle for nationhood under their charismatic leader Andreas Hofer. At the Tyrol Provincial Museum, Innsbruck, until 14 October.

The Mystery Plays/Coventry

Martin Hoyle

Two years into the Wars of the Roses the embattled Queen Margaret was disappointed when dusk curtailed the day-long cycle of Coventry Mystery Plays and the doubtless gratifyingly retributive Doomsday was cancelled. There was postponed for another bloody quarter-century.

Of the original 10 only two plays survive. Keith Miles has added extracts from other cycles including the misnamed Ludus Coventriae whose 42 episodes are now attributed to East Anglia, not Godiva's city; and Robert Hamlyn directs the Belgrade Theatre company in a revival of the only professional presentation of mediaeval mysteries.

BBCSO/Albert Hall

Dominic Gill

Better, as it happened, to have listened at home on Radio 3 to Wednesday's Prom than in the Great Mushroom itself - for two parts at least of the BBC Symphony Orchestra's three-part programme consisted of music rendered crucially flat in effect, and robbed of much of its vital detail, not by its performance but by that infamous, murky acoustic.

Some music it suits: full orchestra, in the right repertoire, can be impressive; voices, solo and choral, warm to it; some chamber ensembles (as long as they have plenty of sustaining instruments) can take on an attractive bloom. A percussive ensemble on the other hand, or any band which stirs up the echoes by using electric amplification, is smothered in fine acoustic dust. Just such a soft, pervading dull blanket enclosed the entire performance, by Messiaen's Bridge Higgins, Fry and Holland, of Bartok's Sonata for two pianos and percussion. Was their playing fact quite often too literal-minded, unatmospheric? One could never be quite sure.



Bernd Weild: appearing at Bayreuth

NEW YORK

New York City Opera (New York State Theatre): The company's 40th season continues with The Barber of Seville, conducted by Christopher Keene, directed by Toby Robertson, with Judith Forst as Rosina and Frederick Borchini as Figaro, and La Boheme, directed by Imre Pallo, with Maryann Telyes as Musetta and Ricarda Lantz as Rodolphe Carmen. The Magic Flute and Madame Butterfly will also be performed. Lincoln Center (870 5570).

SALZBURG FESTIVAL

Monnaie: James Levine conducts the Vienna Philharmonic and the Vienna State Opera Choir with Luciano Pavarotti, at the Riding School Concert Hall (Thu).

VIENNA

Die Fledermaus conducted by Rudolf Bibl at the Staatsoper (Wed). (524/2653).

Strauss's Vienna Blood (Mon, Tues, and Wed) at the Vienna Chamber Opera at the Schoöbrunn Palace Theatre (899899).

VIENNA

The Cliebe and the reality of Viennese women in their fight for emancipation at the turn of the century. Hermsvilla, Linauer Tiergarten. Until March 1985.

NEW YORK

New York City Opera (New York State Theatre): The company's 40th season continues with The Barber of Seville, conducted by Christopher Keene, directed by Toby Robertson, with Judith Forst as Rosina and Frederick Borchini as Figaro, and La Boheme, directed by Imre Pallo, with Maryann Telyes as Musetta and Ricarda Lantz as Rodolphe Carmen. The Magic Flute and Madame Butterfly will also be performed. Lincoln Center (870 5570).

BIDS AND DEALS

Security Centres in £38m U.S. buy

BY RAY MAUGHAN

TWO OF the most active British companies in the U.S. fire and burglar alarm market have struck a deal worth £38m to buy Security Centres and its 50 per cent owned American subsidiary, SCUSA, will buy Holmes Protection from Mr Gaston Murray and Hawley Group.

Safeguard deal to refine investment plans

Safeguard Industrial Investments, the investment trust, is acquiring the 86.87 per cent of Close Brothers Holdings, which it does not already own in a deal which values the whole of Close Brothers, a small merchant bank, at around £17m.

A. J. Gooding gets option on 30% holding in Delyn

THE SHARE price of Delyn Packaging, a Caerphilly-based maker of packaging products and gift wrapping, rose sharply yesterday as it was disclosed that the Welsh Development Agency had granted an option on its 29.65 per cent stake in the company.

coming issue of new shares, for which existing shareholders will be given preferential rights, in an offer for sale. An amount of £17.6m has been underwritten by Kleinwort Benson, Aitken Hume, Edinburgh Investment Trust, Prudential Assurance, TR Industrial and General Trust and TR Technology Trust.

Applications pour in as Jaguar deadline nears

THE OFFER for sale of over 177m shares in Jaguar, the manufacturer of luxury motor cars, appeared to be a success at the close of business last night.

London Prudential 'approaches'

London Prudential Investment Trust said yesterday that it had received approaches which may lead to an offer being made to its shareholders, and is discussing them with its financial advisers.

Company Notices

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SUS 60,000,000 9.25% GUARANTEED BONDS DUE 1988

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Granville & Co. Limited Member of NASDMM
Over-the-Counter Market
Table with columns: 1983-84 High/Low, Company, Price Change, Gross Yield, Fully Paid, P/E

BURMATEX PLC INTERIM REPORT
RESULTS IN BRIEF
6 months ended 31st May
1984 1983
Turnover 3,499 2,865
Profit before tax 774 584
Dividends 2.0p -
Earnings per share 6.1p 4.8p

The Lombard 14 Days Notice Deposit Rate is 11 1/4%
The Lombard Cheque Savings Rates are 10 3/4% and 8 3/4%

BIDS AND DEALS IN BRIEF

International Harvester (GB) has sold the assets of its retail outlet in Earl's Colne in Essex, to Humble Holdings of Essex for £750,000. The sale is in line with International Harvester's policy of establishing dealerships in key areas of the country and then selling them as a going concern.

BANK RETURN

Table showing Banking Department and Issue Department figures. Includes columns for Liabilities, Assets, and various account types.

THE CITY ...New York City THE AVENUE ...Fifth Avenue THE TOWER ...Republic Bank Tower
Republic National Bank of New York—one of the largest and most prestigious financial institutions—is inviting a select group of corporations from the international business community to share its World Headquarters.

THE PROPERTY MARKET BY MICHAEL CASSELL

Bryant-Royal Life win in Birmingham

IN ITS biggest single property investment to date, Royal Life Insurance is to fund a 190,000 sq ft shopping scheme in the heart of Birmingham.

The completed scheme, on the site of the old Greater Midlands Co-operative Society store in the High Street, will be worth around £55m and will match the value of the Royal Life Insurance property investment portfolio above £500m.

Bryant Properties, in conjunction with Royal Life, has been chosen to redevelop the 250,000 sq ft store following a tender in which six major developers competed.

The Co-op has agreed to sell the freehold for over £25m to Bryant-Royal Life on the basis that their scheme was most likely to receive planning permission.

Royal Life says the city centre site offers an exceptional opportunity to develop a modern, covered shopping complex in the middle of Birmingham and it expects to attract a large number of major retailing names.

Hongkong Land set to pay up

HONGKONG LAND moved quickly this week to squash rumours that it was not in a position to hand over the HK\$1.9bn (£186m) premium due to the government on its Exchange Square office development.

The company, one of the world's largest property groups, is struggling to get back on its feet after recording massive losses last year and its state of health is a constant source of speculation within Hong Kong's highly-charged financial community.

A statement from the company said that it had sufficient lines of credit to draw upon for payment of the premium, which is due to be made on August 13.

Washington deal for UK fund

SCOTTISH AMICABLE Life Assurance has paid \$18m (£13.8m) for the freehold of a 140,000 sq ft office and retail building in the so-called "golden triangle" of Washington DC.

The acquisition represents the third purchase by Scottish Amicable in the U.S. within the last three years. The building—at 1015 18th Street—is on 11 storeys and some refurbishment is underway.

The 44-year-old chief executive indicated that Hongkong Land was likely to move its own operations into Exchange Square.

Industrial rents 'down by 20 per cent'

IT IS CLEARLY going to take a great deal more than the present, hesitant revival in the industrial property market to wipe out the collapse in values inflicted by the painful contractions of UK manufacturing industry.

A report this week from Debenham Tewson and Chincocks, the agents and surveyors, says that the huge oversupply of floorspace, combined with a limited recovery in manufacturing output, continues to spell enormous difficulties for the factory and warehouse sector.

The full extent of the industrial market's plight is strikingly underlined by a reduction in real rents since 1973 of up to 30 per cent.

The agents say that most letting markets remain weak, with tenant incentives still widespread. They range from property-related bonuses such as rent-free periods and the payment of fitting-out costs to more personal items like free cars or holidays.

Invariably, the landlord prefers to offer such packages rather than lower asking rentals, not least because an institutionally-funded scheme might insist on a guaranteed rent. A lower initial figure can also mean lower rents when reviews come round.

IDC Group picks up City redevelopment

THE RAPIDLY expanding property development activities of the Stratford-upon-Avon based IDC Group received another boost this week with the purchase of Fleur-de-Lis Court in the City of London.

IDC Commercial Properties has paid over £750,000 for 112-114 Houndsditch and 1-5 Cutler Street from a private family trust and is to redevelop the site to provide a retail and office scheme on six floors.

The entire property has been pre-let at a rental of over £100,000 a year, to United Biscuits who will occupy the retail space and sublet the offices.

Through IDC Commercial Properties and IDC Property Investments, the group now has a development programme running in excess of £20m a year. In 1980, it began to diversify away from industrial schemes into offices and has subsequently picked up a wide range of projects in Tunbridge Wells.

In Essex Street, opposite London's Law Courts, IDC has fully let a 7,400 sq ft office refurbishment prior to completion later this month and has just exchanged contracts on a small office refurbishment project in Tunbridge Wells.

ICD, which funds most schemes under £2m from its own resources, is also understood to have purchased a major site in north London where it plans a £6m industrial complex. In addition, it has recently won planning consent for a 40,000 sq ft office development in Dundas Street, Edinburgh and has just started work on a forward-funded 7,000 sq ft office scheme in Dorling.

On behalf of international clients, we are seeking an existing office building or a site or development proposition to provide 100,000 sq. ft. of office accommodation for occupation in 1987. Location close to the M25 required. Please contact P. T. Richards. George Trollope & Sons. 13 Hobart Place, London SW1W 0HP. Tel: 929177. 01-235 8099

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FINANCIAL TIMES SURVEY

Friday August 3 1984

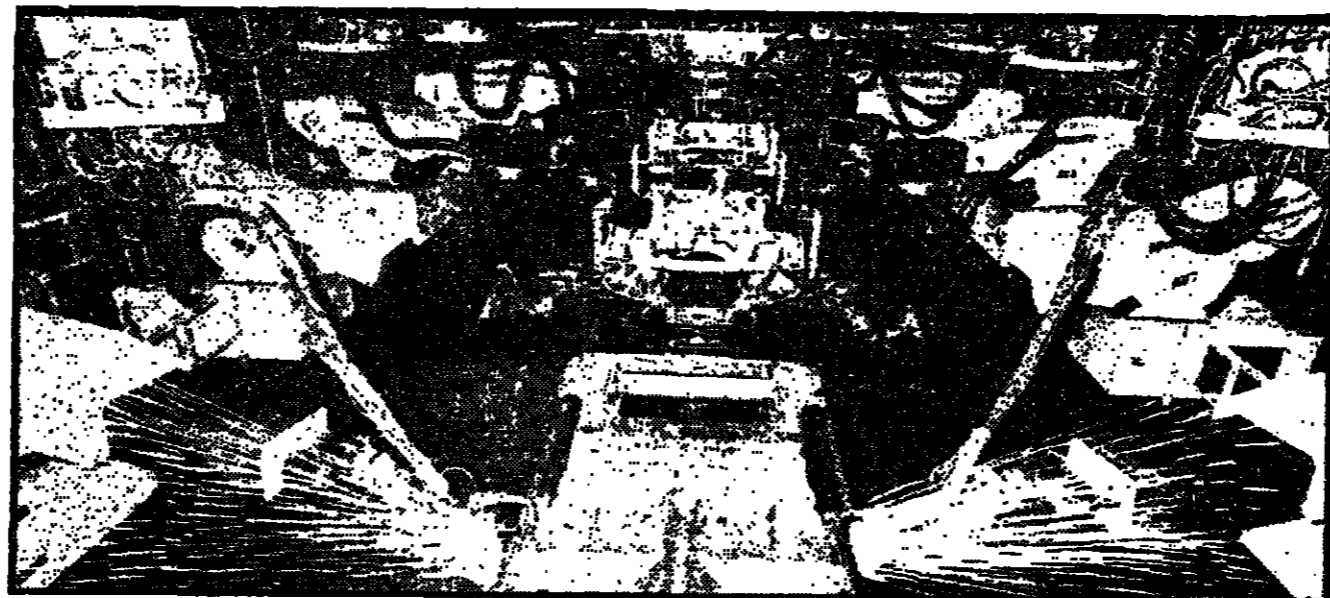
Australian Technology

Australia has much leeway to make up to convert research into profitable products. Priorities and growth industries are being identified and moves made to establish national policies and create a venture capital market to encourage innovation.

Pressing need to diversify

BECAUSE of the sheer abundance of its mineral wealth—plus chance elements in its history—Australia has developed in fits and starts. When its economy appeared to falter in the 19th century, it found gold. When it faced invasion in 1942, the U.S. came to its aid. In the 1950s, Australia discovered oil and other minerals.

says Mr Jones, "that minerals, wheat and wool alone will carry the 'Lucky Country' towards higher living standards. We have to diversify and extend our skills base."



The robot welding line at the new Ford Motor works at Melbourne. The task set for itself by the Government of Prime Minister Robert Hawke is to develop Australia's own high technology industries.

Australia's brain-based exports are negligible, says Mr Jones, partly because "Australia is second only to Canada in the degree of foreign penetration and control of its economy... It is bizarre to see

in a dependent role, or Australia can develop its own high-tech industries, and attempt to carve niches in world markets. There are some bullish points, including past achievements, for Australia was not always as

Survey written by Michael Thompson-Noel

Mitsubishi cars, assembled in Adelaide, being sold with 'Buy Australia' stickers in the window and advertised with pride as 'Australian products'.

dependent on foreign capital. knowledge and technology as it is today. At one time, Australia was a world leader in agricultural machinery, refrigerated ships, and building and mining techniques. It had some of the first electrified cities, electric cables and telephones. Before 1950,

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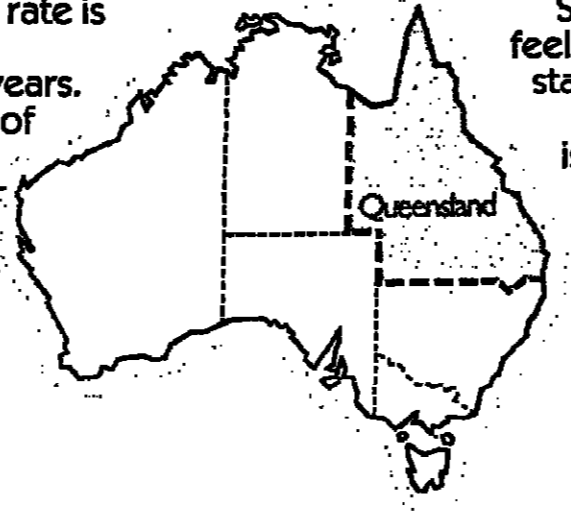
major trade ties with the U.S. and Japan, and is close to the teeming growth markets of the south-west Pacific. In addition, its people are addicted to the good things money can buy. Yet, its economic vocabulary—and that of its politics—remains wedded to the view of Australia as one big quarry, a nation that is largely dormant between mining booms.

At that time... DIESEL GENERATORS... Diesel... March... taping machines

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AUSTRALIAN TECHNOLOGY 2

The debate has started in a far-reaching vision of change Government sets the goals

INDUSTRIAL confrontation and resolute bloodmindedness have long disfigured the Australian economy. Hence the appeal, 16 months ago of Mr Bob Hawke's promise that his Australian Labor Party Government would spread calm and consensus.

Its first step, in April 1983, was to convene a national economic summit conference—a week-long meeting of Government, union and business leaders—at which corporate laments by union lions, and Mr Hawke won the unanimous backing of employers for measures already agreed to by the Australian Council of Trade Unions (an extraordinarily rare feat in Australian politics).

Following the conference, the Government set about exam-

ing possible directions for Australia's economic, social, and technological development in the medium to long-term.

As part of its programme, it organised a national technology conference in Canberra last September.

"My main objective," says Mr Barry Jones, the Science and Technology Minister, "was to achieve a 'shock of recognition' among the participants—a sharp and growing awareness of the range and speed of the technological revolution; of where Australia stood in comparison with other nations with mature economies; and the extent to which we needed to reconsider the appropriateness of conventional economic wisdom."

The Government also wanted to get the parties talking—

industry, unions, public service, and research sector. And the conference served to focus the growing interest of the state Governments in technology. All Australian states now have ministers with a responsibility for technology, and a federal-state working party on technology has been formed.

Finally, a national technology strategy for Australia is being developed. A discussion draft of such a strategy has been circulated, and final comments are due to be received by September. With talk of a general election later this year, the Government hopes that a final version of the strategy will have been agreed to by Christmas 1984.

For debate, the Government says that a commitment to tech-

nology as a means of achieving social and economic goals should involve five national priorities:

- Raising Australia's skill base. The numbers completing secondary education and entering higher education are low compared with many OECD countries, while in its region, Australia has fallen far behind Japan and Korea. Mr Jones would like to see 50 per cent of students completing secondary school by 1985; 20 per cent of school leavers entering higher education by 1995; and the retraining of at least 1 per cent of the workforce each year.
- Bridging the gap between research and industry. For example, the draft strategy suggests that by 1990, 1.5 of gross domestic product should be spent on research and development (R&D); and by 1995, 2 per cent. Other measures: a major increase in private sector R&D; a reversal of the brain drain; improved information gathering and dissemination; and portable super-annuation.
- Moving the economy away from high bulk, low value-added exports towards high value-added goods and services. This would involve the application of key technologies (particularly, in Australia's case, biotechnology and microelectronics), and the fostering of research, invention and design skills.
- Identifying market niches and producing goods and services which can be sold internationally. This will involve more sophisticated marketing, raising of adequate capital, attracting the right talent, and exploring joint ventures with foreign outlets.
- Tackling the problems of over-specialised regional economies, such as those based on coal, steel, and heavy manufacturing.

The discussion draft was released in April. The strong language used, said Mr Jones, was intended to make sure that the sleepers actually did wake. He said many would argue about some of the specific target dates and figures but that they were part-illustrative, part a starting point for what should be a lively public debate.

He says a national technology strategy has to answer this question:

Can a nation of only 15m people (4 per cent of the English-speaking world), with a federal system of government and a long tradition of truncated industrial development, assert its technological sovereignty, make a contribution to world technological development, and achieve higher national growth rates?

He says the answer is Yes, but that no one should underestimate the difficulties—Australia is starting far behind.

He cites figures for trade in technology-based product groups by the 24 nations of the OECD (1980) to illustrate Australia's predicament, noting that many of the countries with very high per capita exports in high technology have smaller populations than Australia.

"In 1980," he says, "our figure was US\$81, Switzerland's was US\$8,594 (32 times higher), the Netherlands was US\$1,378 (17 times higher), Sweden's US\$1,087 (13 times higher), and Canada's US\$340 (four times higher)."

Australia ranked 20th of 24 nations. That was the bad news. The good news is that we are still ahead of Portugal, Greece, Iceland and Turkey." In fact, Australia's position has since worsened to 22nd place.

The Government's draft technology strategy has four parts, and describes a range of objectives and possible actions.

For example, there is a disturbing imbalance in Australian spending on R&D: 19.7 per cent comes from the private sector, and 77.6 per cent from government sources, a ratio of 1:4. In Switzerland, there is an exact reversal, 4:1.

COMMONWEALTH GOVERNMENT AND OTHER SECTOR FUNDING CONTRIBUTIONS TO GROSS DOMESTIC EXPENDITURE ON R&D (GERD): 1968-69 TO 1981-82					
	1968-69	1973-74	1978-77	1978-79	1981-82
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Commonwealth Government	n/a	n/a	541	666	*938
General Government	n/a	n/a	28	29	39
Public Enterprise	n/a	n/a	6	8	16
Sub-total	173	383	579	693	*977
State Government	n/a	n/a	111	140	179
General Government	n/a	n/a	6	8	16
Public Enterprise	n/a	n/a	117	148	194
Sub-total	61	67	117	148	194
Private Enterprise	116	196	152	180	268
Other Australian	9	7	10	18	32
Overseas	10	11	14	13	16
Total (GERD)	368	655	873	1,054	*1,485
Commonwealth Government funding as % GERD	47	58	66	68	66
State Government funding as % GERD	17	10	13	14	13
Private Enterprise funding as % GERD	32	28	17	17	28

* A downward adjustment of \$37m has been made to allow valid trend comparisons on the level of support for R&D activities.
† Much of the large rise between 1968-69 and 1973-74 is due to changed funding arrangements for universities. For the same reason, the rise in State funding between 1968-69 and 1973-74 is minimal.
Source: Discussion Draft, National Technology Strategy, Department of Science and Industry.

Suggested measures include the steady reduction of tariff protection, provided the economic outlook is reasonably favourable.

As for venture capital, the draft says the objectives should be to:

- Ensure adequate availability of risk capital for high technology companies.
- Ensure an adequate mix of private and public involvement in the provision of risk capital and management advice.
- Encourage private investment in long-term employment-creating activities based on Australian skills and inventions.
- Promote the flow of managerial skills.
- Establish a venture capital market (something which is already emerging as a result of Government initiatives).

Quite baldly, Mr Jones says that Australia lacks an inventory of finished products suitable for sale overseas, and has few foreign outlets which could support a marketing strategy.

"It is in this area," he says, "that Sweden, with only 8.5m people, has been outstandingly successful. The Yellow Pages indicate that Volvo, Saab and Scania have 23 authorised outlets for sales and services in Sydney, 15 in Melbourne, 10 in Brisbane, 10 in Adelaide and 8 in Perth. It is fair to say that an aspiring purchaser of an Australian-designed and manufactured car would have his work cut out if he was looking for one in Stockholm or Uppsala."

Recently, an Australian magazine sought to list Australia's best-known products. Those it came up with included Vegemite (the famous yeast extract), Flamingo Park sweaters, Sydney rock oysters, Akubra hats, Hoadley's Violet Crumble Bars, Fourx beer, Merino rams, opals, Drizabone rainboots, Speedo swimwear, Cortana underwear, and the Queensland blue heeler (a medium-sized rural dog).

The list was aggressively low-tech. The evidence is clear. In terms of high-technology exports, Australia has nowhere to go but up.



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This innocent looking capsule is an antibiotic 'guided missile'. It is a superior and unique formulation of erythromycin.

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Now, because Eryc is being marketed all over the world, millions of patients are benefitting from this improved antibiotic therapy. It's another testimonial to the value of the research, development, and manufacturing skills South Australia is now contributing to antibiotic therapy worldwide.

There are many more technological developments covering a wide variety of fields from medicine, through electronics, to heavy engineering.

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The Government of South Australia
THE DEPARTMENT OF STATE DEVELOPMENT.

Profile: Barry Jones, Science and Technology Minister

Energetic star of Hawke clan

THE STAR attraction in Canberra at present is a group of travelling masterpieces from the Courtauld Collection in London, including Gauguin's *Nevermore*, and Manet's *Le Dejeuner sur l'herbe*. A sight that is almost as compelling is that of Mr Barry Jones, Australia's Science and Technology Minister, going through his paces in the national capital, for his energy and verbal brushwork are prodigious, and his own collection not inconsiderable.

Conversing with him while he is in the process of packing a briefcase to catch a plane, as I did in Canberra, is like asking a word processor to pass the salt: difficult, but worth a try.

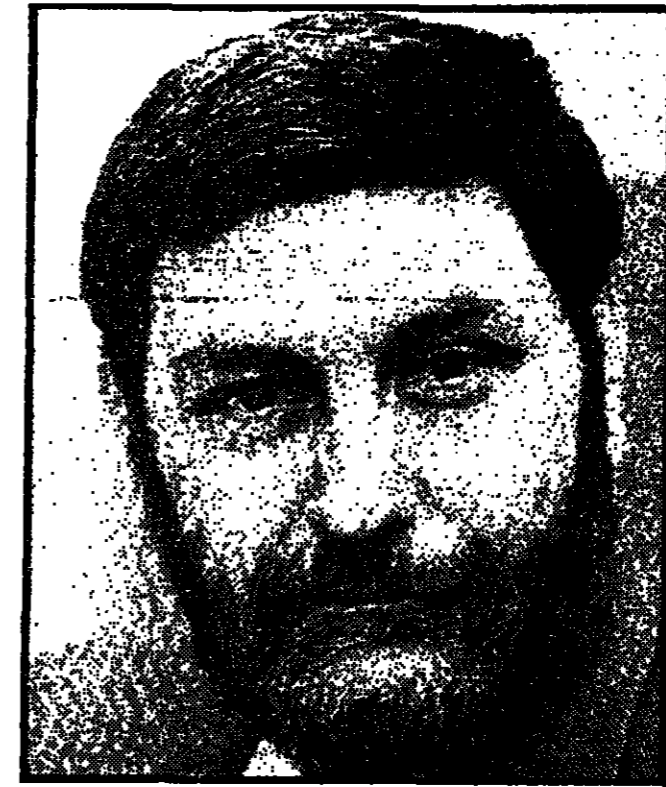
On the other hand, the Minister's writings, and speeches, take you on such a vivid tour of the technological, post-industrial, and post-service futures that it is little wonder that Oxford University Press has trans-

lated Mr Jones's 1982 book—*Sleepers, Wake! Technology and the Future of Work* (A\$9.95)—into Swedish, Japanese, and Braille, of which the latter edition ought to sell well in Australia.

It has been remarked that Mr Jones works and thinks at such speed, and on such a bewildering variety of subjects, that if you didn't know who he was, and arrived in the middle of one of his flights of rhetoric, you would have little idea whether he was Minister for Science and Technology, Foreign Affairs, Employment, Education, Industry, Communications, or the Arts.

He is a robust figure with close-cropped hair and grey-flecked beard, and is one of the stars of the Hawke Government.

To his job as Minister for Science and Technology, Mr Jones brings a remarkable array of interests and achievements. He has been a federal



Labor MP since 1977. Before that he was a public servant, high-school teacher, university

lecturer, lawyer, a founding father of the modern Australian film industry (he leathed *The Man From Snowy River*, because it "didn't take on any issues"), active in penal reform, campaigner against the death penalty, and deputy chairman (1969-73) of the Australian Council for the Arts.

His interests include films, music, travel, collecting autographed documents, and reading.

One of the features of the Hawke Government has been its readiness to communicate its aims and decisions, and at Science and Technology, it has a minister one of whose main skills is that of first-rate communicator.

Imperative

Consider this, from a speech to the Australian Institute of Political Science national conference a few weeks ago:

"It is essential that we recognise, and counteract, the cultural limitations of our technology base. The Dutch and the Swedes make an important contribution partly because each generation is under a strong cultural imperative to leave their mark on the world. Here, we see ourselves as a mere branch office of the English-speaking world. We live in a technological culture which is essentially derivative. We buy ideas and products off the shelf and pay for them in raw materials. To many Australians, the idea that 'we should try not to reinvent the wheel' is regarded as a profound observation. In fact it begs the whole question of what inventiveness, product and process innovation, involves."

Or this, from a speech at Sydney University in March this year:

"We have a good record in what is sometimes anxiously called 'pure' (or 'virginal') research. We have produced four Nobel Prize winners in

the sciences, exactly the same number as Japan, which has eight times our population. But we have a very poor record in transferring our pure research into products which can be made and marketed from here. There is only a slender rickety bridge between the research community and our industrial managers. They do not know each other. They do not talk the same language. We have—with great effort and public expense—succeeded in evolving a common horizon, or emotional paralysis. We must not waste our greatest national resource—people. If you have an alienated segment of young people permanently excluded from the labor force, we should be surprised to face urban terrorism along Bander-Meinhof lines in Australia before we are far into the 1990s... It is essential... to evolve broad policies to ensure that technological change is not used to widen social and economic divisions, and avoid a legacy of increasing bitterness between the powerful and the impotent."

Mr Jones says he has described himself as Minister for the future, explaining that his main interest was not so much the next election as how Australia was preparing itself for the year 2000 and beyond; that the constituents he is serving best are probably not yet born.

However, in the here and now, he says one of his main accomplishments has been in technology on the political agenda.

He says that consensus, optimism, and wage moderation alone will not provide the great leap forward for Australia; that there are major deficiencies in our skill base, and very real doubt whether our current technological capacity is great enough for transition to a high-growth economy.

He quotes the Versailles Economic Summit working group on technology, growth and employment recommendations of 1982 that "governments should support fundamental science and long-term, high-risk research and development... and provide incentives for innovation through the encouragement of invention and investment in innovation."

He says such views are still far from the mainstream of Australian political, managerial, bureaucratic, trade union or academic thought, and warns that "Australia will pay a heavy price for ignorance."

On the other hand, as he told the Australian Institute of Political Science: "We have a long way to go, and not much time to do it, but I would not be urging Australians to make the effort unless I believed there was some chance of success."

The Australian Department of Science and Technology

Industrial R&D incentives through the Australian Industrial Research and Development Incentives Board;

- tax incentives for venture capital investments (through the Management and Investment Companies Licensing Board);
- contracts for outstanding industrial research projects in new technologies such as lasers, biomedical engineering, industrial uses of computers etc;
- assistance for the Technology Transfer Council which facilitates technology transfer in the metals-manufacturing sector;

For further information contact:
THE AUSTRALIAN DEPARTMENT OF SCIENCE AND TECHNOLOGY
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A.C.T. 2616 Australia

● fostering the development and dissemination of other advanced manufacturing and information technologies;

- funds for innovation centres and research associations;
- commissioning studies to identify technologies where Australia has the best opportunity for competitive manufacturing;
- other initiatives to encourage the development of biotechnology and other high-technology industries

In 1983-84, the Department will spend more than \$90m on technology development.

AUSTRALIAN TECHNOLOGY 3

PROFILE: CSIRO

Funding new research areas

THE flagship of Australia's scientific and research effort is the Commonwealth Scientific and Industrial Research Organisation (CSIRO), which has a total staff of 7,500 (including about 3,500 professional scientists) and an annual budget of about A\$300m (\$192m).

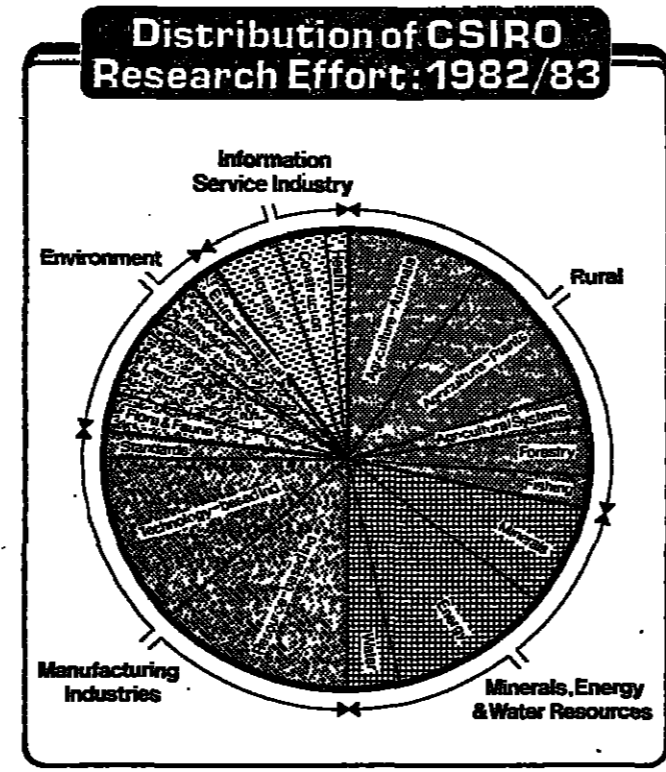
That is about one-quarter of the total federal science and technology budget, though Dr Paul Wild, the CSIRO chairman, said in June that on a world scale, it needed to be seen in perspective. "It is just one-seventh of the R and D (research and development) budget of IBM, which covers one narrow sector of technology," he said.

These days, Dr Wild told a staff meeting in Hobart, "controversy and criticism" surrounded the CSIRO's work far more than in earlier times. One criticism voiced is that the CSIRO is "like a grand old battleship—too expensive to convert, and too valuable to scuttle." It has also been claimed that despite policy reviews and some changes, the CSIRO has "become a haven of diehards feeling little need to justify themselves to external critics."

Whatever the outcome of this domestic controversy, there is little doubt that the CSIRO has a distinguished track record in a plethora of fields; or that it is learning to communicate more effectively with the bureaucracy and its customers.

It covers virtually every field of science, including only clinical medicine, and defence and nuclear science. It has more than 100 laboratories and field stations across Australia, working under five research institutes whose names, says Dr Wild, give a view of its repertoire: "industrial technology, energy and earth resources, physical sciences, biological resources, and animal and food sciences."

Its current designated growth areas are: biotechnology; advanced materials; manufacturing technologies (including research into robotics, machine tool control systems, computer-aided design and manufacture, and flexible manufacturing processes); information technologies; water and soils (including erosion, salinity, and water quality); plant pathology (an estimated 12 per cent of Australia's agricultural production is lost to plant diseases annually, a figure that is expected to increase); and desalination.



are rising more rapidly than the value of the wool. CSIRO is investigating the use of a biological chemical, epidermal growth factor, for "shearing" sheep. The EGF produces a weak zone, allowing the fleece to be pulled off.

Interscan—an aircraft landing guidance system developed by the CSIRO and Department of Civil Aviation, and adopted as the new international standard.

Sirac—a computer-based cotton management program which has reduced pesticide and irrigation water use, and costs.

Australia Telescope—due to be completed in 1985. It will help Australia maintain its prominent position in radio astronomy.

Pecumidin—a vaccine to encourage twinning in sheep, which went on the market last year.

IR Scanner—an infra-red scanner, developed by the CSIRO. Mounted in aircraft, it penetrates the smoke of bushfires to show fire-fighters the fire-front, spotfires, and other details.

Image-processing of satellite data—CSIRO says it is now a world leader in this area. The technology is widely used in Australia by resource managers and industry, and is sold overseas.

Pulsed arc welder—developed by the CSIRO with an Australian manufacturer.

New lucerne varieties—which are aphid-resistant.

Somaclocing—a method of biotechnology for breeding plants in tissue culture. It promises to lead to novel wheat, which will grow in new environments, including the tropics and subtropics.

Influenza research—CSIRO has made a major advance in the battle against the "flu virus" by determining the structure of a key protein on the surface of the virus.

It's a long list, which could be greatly extended. Whether the description of the CSIRO is a "grand old battleship" is fair or not is hard to say. What is not in dispute is the weight of its firepower, and the range of its guns. In the campaign to ban Australia's industry and workers into the technological present, the CSIRO's position at the head of the fleet is unchallengeable.

The Australian Industry Development Corporation operates commercially and makes a profit. The work of this federal body is explained here.

Important channel for funds

AN important vessel for channelling funds into the high-tech sector is the Australian Industry Development Corporation (AIDC), a statutory federal body established in 1970 to promote the development of Australian industry, and Australian participation in it.

It has no regulatory role, but pursues its objectives—which were recently broadened—via its commercial operations as a development financier.

It funds mainly private enterprises which are majority Australian-owned and controlled, or which represent significant Australian participation. However, finance may also be provided to companies or projects that are less than 50 per cent Australian-owned, if they are engaged in development of importance to Australia and not competing directly with efficient Australian-owned enterprises.

Under the chairmanship of Sir Gordon Jackson, formerly general manager of CSR, the Australian sugar-to-resources conglomerate, the AIDC is a tightly-run ship.

In the year to June last year, it disbursed A\$221m to industry (+28 per cent on the previous year), and entered into new commitments totalling A\$245m (+20 per cent). At June last year, operational loans and investments stood at A\$688m.

It is profitable, too. Net profit last year was A\$15.3m (there will be some increase in the latest year), and total assets now comfortably exceed A\$1bn.

Formerly, the AIDC concentrated on large capital-intensive projects, particularly in the resources sector and industrial infrastructure. In 1982-83, for example, resource projects supported included Cooper Basin oil and gas, steaming coal and diamonds. Other industries financed included transportation, food processing, building products, and timber processing.

However, the AIDC's role was recently widened. The Government has raised its borrowing power considerably, to a total capacity of nearly A\$2bn, and removed its investment restrictions. As a result, it is now required to give priority to manufacturing, services, and new technology.

"Everything is being judged on a case by case basis, because

OPERATIONAL LOANS AND INVESTMENTS		
Industry Sector (\$m)	Total	%
Food and beverages	72.7	10.4
Building materials	72.7	10.4
Chemicals, plastics and petroleum products	84.6	12.1
Electrical and electronic	9.2	1.3
Heavy engineering	4.7	0.7
Light engineering	43.3	6.2
Other manufacturing	168.0	24.2
Total manufacturing	355.8	51.6
Mining and mineral processing	178.6	25.9
Construction	21.8	3.1
Transport and distribution	32.2	4.6
Industrial infrastructure	72.9	10.5
Other industry	1.0	0.1
Total (before provision for loss)	699.3	100

people—and products—vary," says Mr Don Dyer, AIDC's general manager for industry development.

"We need to see a significant profit potential. However, the provision of money is secondary to the task of finding good management. Our difficulty is an acute shortage of people. We have recruited heavily in the past two years, but can't keep up."

Mr Dyer says the AIDC is examining about 20 technology investment opportunities a week, and going into about one new technology venture a month—the rate may rise.

The corporation has already invested quite heavily in high-tech. For example, Interscan Australia, which has developed an advanced microwave aircraft landing system based on work by the radio-physics division of Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO), is a wholly-owned subsidiary of the AIDC.

With U.S. support, the Australian invention won full recognition when the International Civil Aviation Organisation adopted the Interscan system as the basic principle for the next generation of guided landing systems.

To help gain entry to the U.S. market—the world's largest—Interscan Australia went into partnership with Wilcox Electric, a subsidiary of Worthington Corporation of the U.S. Earlier this year, the Interscan/Wilcox partnership lost out to a U.S. rival, Hazeltine, on the initial (about US\$90m) contract to supply landing

systems to about 200 U.S. airports. The loss was a blow, for a successful bid would have opened the way to significant benefits for Australian industry over the next two decades.

But all is not lost. The potential world market for these systems is considerable, and Mr Dyer says Interscan will not only be bidding for future U.S. Federal Aviation Administration contracts, but broadening its aviation base and perhaps approach.

investing in other products. In other high-tech areas, the AIDC has invested A\$55m in Nucleus, Australia's largest biomedical group. This is the AIDC's largest high-tech equity investment to date. It has a A\$1.3m (24 per cent) stake in Biopack Australia, which builds and sells advanced food processing equipment developed by the CSIRO.

It has a 50 per cent stake in MICA Associates, a small Canberra-based computer equipment researcher and assembler. And it holds 50 per cent of Australian Biomedical Corporation, which it set up with Wormald International to market medical products internationally.

Until about 18 months ago, says Mr Dyer, Australian management was insular, protected, and thought only of the domestic market. However, he says the Government has established a high-tech investment climate unlike anything seen before, and that the opportunities for good investment are so varied that a big challenge for Australia and investors, will be avoiding a scattergun approach.



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PROFILE: NUCLEUS

Success with world sales

FOR A glimpse of a possible future, travel a short distance west along Sydney's Pacific Highway before turning into a small but immaculate industrial estate at Lane Cove, one of Sydney's plush suburbs.

There, ringed by gum trees, you find the headquarters and main research facilities of Australia's most successful high-tech company to date: Nucleus, a small but aggressive manufacturer of innovative medical and health care products.

It was formed in 1965 and has grown, says its founder and chairman, Mr Paul Trainor, into an "inside-down multi-national"—remote from the major northern hemisphere markets but nevertheless selling in more than 40 countries and manufacturing in the U.S., France, and Brazil, as well as Australia.

Early on, Nucleus made cardiac monitors, X-ray equipment, and electronic ignition systems. It went public in 1980. Today, with sales of A\$74m (\$47m), it employs 900 and has six major operating groups. Products include implantable cardiac pacemakers, diagnostic ultrasound imaging systems, patient monitoring equipment, kidney dialysis and blood therapy products, and multi-channel cochlear implants (electronic devices implanted surgically in the inner ear to aid the profoundly deaf).

In many ways, Nucleus is the very model of what an Australian high-tech enterprise should look like: small but ambitious; willing to spend freely on R&D (research and development); able to maintain a far-flung marketing and sales effort; not intimidated or discouraged by the smallness of the home market; a careful planner; well-run, financially; and enjoying excellent relationships with Australia's scientific and research communities.

Lest it seem burdened by such a description, it must be added that Nucleus has had to overcome enormous obstacles and has survived at least one serious mistake: the heavy promotion, in 1981, of an improved ultra-sound machine while the existing versions went largely unmentioned.

Cashflow dried up. Losses were severe, and management thoroughly discomfited. It was "premature ejaculation," says Mr Trainor—the result of "having a market rep in the field too familiar with what you are doing in your research and development."

Yet Nucleus survived, and has impressed the Australian Industry Development Corporation (AIDC), now a share-



Sterile manufacture of primed dialysers for kidney patients

holder, with its ability to survive and prosper in the jungle of the high-tech health care market.

Although Australia is thought to offer numerous advantages for the establishment and growth of a medical equipment industry, high R&D costs, and the complexities of exporting, and the small home market have meant that to date, Nucleus is the only company in the field with sales in excess of A\$10m.

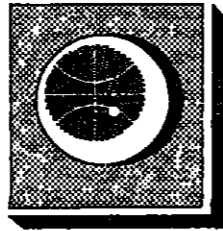
About 20 smaller companies, with limited R&D and export marketing capabilities, have annual sales of between A\$1m and A\$10m.

The working relationships between industry, universities, government-backed institutions and hospitals are improving all the time, but what is lacking is an effective supporting infrastructure of sub-contractors and specialist suppliers for prototyping, tooling, and manufacture.

On the other hand, the climate for investment is fast improving. Encouragement of a venture capital market, changes in the banking industry, and the expanded high-tech role of the AIDC, are all helping, so that the ingredients already exist in Australia for developing a much larger, stronger medical equipment market.

Much of the spade-work has fallen on Nucleus, though it is hard for newcomers in these fields to travel in the precise slipstream of a rival's success. Nucleus, for example, has

Australian Industry Development Corporation



AIDC is a statutory corporation wholly owned and guaranteed by the Commonwealth of Australia.

We work with private enterprise to promote Australian growth and development not only in the traditional Australian industry sectors such as mining and manufacturing, but also in the new technologies and the service industries.

Our special place in the Australian financial system, and our reputation for innovative financing, have been achieved by learning and understanding the aims and aspirations of people in industry, and by wanting to help.

Our Industry Development Division specialises in investment in industry, as distinct from the development banking services of the Development Finance Division.

Our Development Finance Division encompasses the full range of development banking and related financial advisory services.

The Corporation's development financings are funded by a continuous program of borrowings in the capital and money markets within Australia and overseas.

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AIDC...financing the future Today

AUSTRALIAN TECHNOLOGY 4

The government has moved swiftly and red tape is minimal

Venture capital market up and running

LAST JUNE, Hambro-Grantham (MIC), one of Australia's shiny new licensed venture capital companies, known as MICs (Management and Investment Companies), made its first investment—a 40 per cent equity stake in The Portable Computer Company, the maker of Portapak, a portable micro-computer.

The investment cost Hambro-Grantham A\$320,000. The Portable Computer Company was founded in mid-1983 by two engineers, Mr Harry Platt and Mr Ivan Stern, whose first product, PPCS, was an advanced multi-user micro-computer. Their latest product is a high-performance portable computer designed for the business market.

Thus Australia's fledgling licensed high-tech venture capital market is up and running—and with a minimum of red tape. According to Mr John Grant, chief executive of Hambro-Grantham, the MIC Licensing Board secretariat took just three working days to process the application and

classify Portapak as an eligible business under the MIC scheme. "For the programme to work," says Mr Grant, "a continuation of this approach is essential." His own company, Grantham Capital, was formed to provide advice and risk capital to potential high-fliers, particularly those with a technological base.

Hambro Australia and Grantham Capital are co-sponsors of Hambro-Grantham (MIC), one of seven MICs (from more than 30 applicants) successful in the first round of licensing.

Mr John May, director of the corporate finance division of Hambro Australia, says that until this year, venture capital in Australia was available from relatively few sources. There were several venture capital companies (for example, City-Capital Investors, and Business Loans and Equity Capital, set up in late 1982 by Citicorp and Westpac Banking Corporation respectively), but activity was low.

However, following the report of the Espie Committee—

Developing High Technology Enterprises for Australia, published in April last year—the Government moved swiftly to set up a licensed venture capital market, so as to lessen the impact of one of the main impediments to the growth of high-tech enterprises: difficulty in raising finance, particularly equity finance.

Briefly, tax-paying investors who subscribe capital to MICs receive a tax deduction in the year in which subscription occurs equal to 100 per cent of the amount subscribed. A minimum holding period of four years is necessary to avoid any clawback of this deduction. In other words, the scheme seeks "patient capital."

Potential
In 1983-84 (financial year just ended) the licensing board awarded seven inaugural licences, authorising the subscription of a total of A\$50m (£32m) in tax-deductible capital. Basically, the MICs will channel

funds into small to medium businesses with high growth potential and a technological base.

Apart from Hambro-Grantham, the other six are Austech Ventures, Australian Pacific Technology, BT Innovation (a joint venture between BT Australia and Technology Investment Management), Technica, Western Pacific Investment, and Westintech.

In addition to the MICs, there is a growing band of high-tech stocks, spearheaded by Vapour, a Sydney-based group which has developed a revolutionary paint curing process, and whose share price soared from 75 cents when listed last September to a high of A\$17 earlier this year (at present, it is around A\$9).

In the view of one industrial analyst: "The Australian equity market is poised for a proliferation of high-tech companies seeking funds. As with the evolution of any new industry sector, there will be a high percentage who will not fulfil their potential."

Hopes
However, the MICs have high hopes. Hambro-Grantham, for example, has an initial authorised capital ceiling of A\$10m. At the start of last month, A\$6m had been raised through private placement, the major backers being the Commonwealth Trading Bank, A\$2m, City Mutual Life Assurance Society, A\$1m, Mitsui and Co. (Australia), A\$700,000, and Standard Telephones and Cables, A\$750,000. The additional A\$4m will be raised as and when follow-on finance is required.

To complement the MIC vehicle, says Mr May, Hambro-Grantham, like some of its competitors, is raising funds to a parallel investment vehicle structured as a unit trust, the Hambro-Grantham Venture Fund. Interest in the fund has already been expressed from Tokyo, Hong Kong, London and New York.

Hambro-Grantham (MIC) itself says it will invest through Australia, providing portfolio ventures with start-up, early and development capital. Size of initial investments may vary from A\$100,000 to A\$1m.

Equity holdings will vary, but are unlikely to be less than 10 per cent, and will not be more than 50 per cent. Investment will usually be by way of ordinary shares, convertible and/or redeemable preference shares.



Ingots stacked at the Tomago aluminium plant, New South Wales

South Australia believes it has had a headstart in attracting new companies

Adelaide: capital of the 'high-tech state'

THE NEW YORKER once described Adelaide as "possibly the last well-planned, well-governed and moderately contented metropolis on earth," a description it still retains.

Adelaide is less frantic than Sydney (everything is relative), less hidebound than Melbourne, more sophisticated than Brisbane, and less pushy than Perth. It is an attractive city on a coastal plain surrounded by low hills, where the living is easy and the median price of a quality family home on its own suburban block of land is about A\$55,000 (£35,000).

Adelaide is the state capital of South Australia, known for its farming and wine growing, and its automotive and white goods manufacturing. Recently, there have been major resource discoveries, primarily the Cooper Basin natural gas fields, which now supply parts of New South Wales, and the massive copper-gold-silver-uranium deposits at Roxby Downs, development of which now has the official blessing of the ruling Australian Labor Party.



Two views of Adelaide, "possibly the last well-planned, well-governed and moderately contented metropolis on earth"

Adelaide is also the capital of the self-styled high-technology state of Australia. South Australia says it had a headstart in the battle to attract high-tech companies, given that part of its vast empty interior was used by the UK and Australian Governments as a rocket range and nuclear bomb testing site in the late 1940s and '50s, which coincided with expansion of its industrial base.

A short distance from Adelaide lies what is described as the largest electronics research establishment in the southern hemisphere, the Defence Research Centre, Salisbury (DRCS). Nearby are major companies like Thorn-EMI Electronics, British Aerospace, and Fairey Australasia which provide equipment to

U.S. and European defence contractors. The South Australia state government, which is Labor-controlled, is energetically encouraging high-tech businesses to set up shop in the main areas of expertise at present cover defence-related technologies, electronics and optoelectronics, biotechnology, mining and agriculture technology, and remote sensing. However, the range of activities is mushrooming.

The state government has established Technology Park Adelaide to meet the needs of high-tech manufacturers and researchers, and set up a separate corporation to promote development of high technology. The park is near the DRCS, and next to the main campus of the South Australia Institute of Technology. It includes a multi-tenant complex for small companies, while British Aerospace is locating design, engineering and production facilities at the park.

Another company based in Adelaide is the brand-new Austek Microsystems, which will manufacture VLSI (very large scale integration) chips. The birth of Austek follows the signing of a licence agreement by the CSIRO (Commonwealth Scientific and Industrial Research Organisation) for commercial development of its technology for designing advanced silicon chips. Under the licence, the CSIRO will give exclusive rights to this software for two years to Austek, which was formed by the staff of the CSIRO's VLSI laboratory, led by Dr Craig Mudge, CSIRO's leading computer engineer.

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Pressing need to diversify

CONTINUED FROM PAGE 1

here Australia has comparative advantages in skill—a strong agricultural base, expertise in animal and plant genetics, microbiology, biochemistry, and medical research. But time is running out for us. We could be world leaders if we act now."

Mr Jones says that originally, Labor was cautious, not to say coy, about the chosen 16. Today he says: "After 16 months, the list stands up pretty well."

The Science Minister says that major changes in direction instigated by the Hawke Government include:

- Upgrading the Industrial Research and Development Scheme, with a 36 per cent increase in funding, a new board, and broader charter.
- Creating a venture capital market by establishing licensed management and investment companies (MICs), with the benefit of 100 per cent tax deductibility for licensees.
- Encouraging the CSIRO to develop new policy directions, in addition to traditional areas of expertise; setting up SIRO, TECH as a bridge between the research community and industry and providing for the establishment of a division of information technology.
- The National Biotechnology Programme:
- Expanding the Australian Industries Development Corporation (AIDC), doubling its capital and changing its charter to put greater emphasis on high technology.
- Rationalisation of the Australian steel and car industries;
- Talking the issue up—raising levels of consciousness about high technology—"much as we did in the late 1960s and early 1970s with the Australian

September, the Government collated material for a draft national technology strategy, which has now been produced for general debate.

It identifies five priority areas: (1) Raising Australia's skill base; (2) Bridging the gap between research and management; (3) Moving from low to high-value-added products; (4) Creating strong and more appropriate economic infrastructures; (5) Overcoming the problems of overspecialised regional economies, such as those of Wollongong (coal and steel), Whyalla (steel), Newcastle (coal and steel), and Geelong (motor vehicles).

The introduction of a proper venture capital market is long overdue. Recently, the Government licensed seven MICs, authorising the subscription of a total of A\$50m (£32m) in tax-deductible capital. The MICs are there to channel funds into small and medium-sized businesses with high growth potential and a technological base. One, Hambro-Grantham, for example, recently invested in The Portable Computer Company, a maker of portable micro-computers, and has backers that include a bank, a life office, plus Mitsui & Co (Australia).

"During the election campaign," says Mr Jones, Labor promised to create 500,000 new jobs and to raise GDP by 5 per cent over a three-year period. Can these goals be achieved by merely reshuffling the pack?

He says there can be no doubt that restoration of confidence is a psychological precondition for growth, and that this appears to have been achieved to a degree which would not have seemed possible as recently as January 1983.

On the other hand: "Australia's performance in weathering the

adverse economic conditions of the past decade has compared poorly with more sophisticated small nations. Australia has a population of 16m. Its GDP in 1983 was US\$14.9bn, or US\$956bn per 1,000 of population.

"By comparison, the Netherlands has a population of 14m (93 per cent of Australia's), and other than some North Sea oil and gas, very limited raw materials. (Geographically, it is only a swamp.) However, its GDP (1980) was U.S.\$16bn, or U.S.\$12,97bn per 1,000 of population—26 per cent higher than Australia's.

In economic strength depends on its brain-based industries.

"The case of Sweden is even more striking... Sweden sells us A\$5 worth of finished goods for every A\$1 in raw materials we sell to them."

He says Australia is changing direction, and that there are good prospects that its development of human skills will generate higher levels of economic growth than could be produced by physical resources alone. He says that since Labor took office he is more optimistic, rather than less, that Australia can turn the high-tech corner. But he adds that "time for change is running out."

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For further information, contact the Business Migration Adviser at the nearest Australian High Commission or Embassy or at any Regional Office of the Department of Immigration and Ethnic Affairs in Australia.

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SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday August 3 1984

NEW YORK STOCK EXCHANGE 22-24 AMERICAN STOCK EXCHANGE 23-24 U.S. OVER-THE-COUNTER 24, 32 WORLD STOCK MARKETS 24 LONDON STOCK EXCHANGE 25-27 UNIT TRUSTS 28-29 COMMODITIES 30 CURRENCIES 31 INTERNATIONAL CAPITAL MARKETS 32

WALL STREET

Optimism on inflation opens way

THE NEW YORK stock market surged ahead again yesterday to close at its highest level for three months in record trading as investors took an increasingly optimistic view of prospects for inflation and interest rates.

Heavy demand from both the major institutions and private buyers brought the biggest daily rise in the Dow Jones industrial average since November 1982, while share turnover exceeded all previous levels.

In the credit market, prices for long-dated bonds jumped a full point, but the short-term issues were restrained by the continued firmness of the federal funds rate.

The second half of the trading session brought a renewed and even stronger upsurge in stock prices, which was carried further in the final half hour. At the close, the Dow showed a gain of 31.47 points on the day at 1,166.08, a level last seen on May 10.

A total of 174.2m shares was traded, brushing aside the previous daily record of 158.9m of January 5 this year.

The January trading spate came when

Wall Street was anticipating falling interest rates - prematurely, as it turned out. This time round yields at the long end of the bond market have fallen by almost a full point over the past month and economic indicators are signalling a moderation in the economic pace that should keep inflation low.

The massive upswing in turnover levels underlines the extension of buying interest from the blue chip stocks to the broader range of the stock market. The American Stock Exchange, where many of the smaller U.S. companies are quoted, also surged ahead.

Airline stocks continued to rise strongly, spurred by the prediction by a widely respected Wall street specialist that world oil prices will tumble to \$15 a barrel. UAL (United Air) at \$38 1/4 and Northwest Air at \$39 1/4 were each 5% higher.

But oil stocks preferred to hearken to reports in a U.S. oil industry magazine that Opec is holding together, and to favourable comments on stock prices from market analysts. Occidental Petroleum showed little change at \$26 3/4 after lacklustre profit figures, Phillips Petroleum gained 3/4 to \$34 1/4 and Mobil remained steady at \$24 1/4.

Texas Instruments extended its recent gain by 5 3/4 to \$126, while Hewlett-Packard advanced 3 1/4 to \$39 1/4. There was further buying of Eastman Kodak on the back of the profits statement. The stock gained 3/4 to \$75.

Sears, the retailing and finance group, eased 5/8 to \$34 1/4 after laying off staff at its World Trading offshoot, and reports of poor morale at Dean Witter, the Wall Street subsidiary which is suffering heavy losses.

Stocks in the other Wall Street firms, which have been battered by the drop in profits, retained the recovery trend begun by the market's upswing. Merrill Lynch added 5/8 to \$27.

The bond market quickly recovered from some mild disappointment at the absence in the Treasury funding statement of any decision on the issue of bearer bonds to non-U.S. investors. The terms of the \$16.75bn programme were as originally expected, although hints that a long-dated issue might be omitted were dashed.

The key long bond advanced by a full point to 104 3/4, but retail interest was somewhat thin. When-issued yields on the Treasury securities for auction next week dipped a shade from Wednesday's final quotations. The three-year note returned 12.58 per cent, the 10-year 12.72 per cent and the 30-year bond 12.65 per cent.

The Federal funds rate eased a shade to 11 1/4 per cent as the pressures of the bank settlement day subsided. Other short-term rates held firm, with three-month Treasury bills at 10.45 per cent and six-month bills at 10.64 per cent.

LONDON

Gilts form spearhead for gains

GOVERNMENT securities spearheaded a strong advance in London yesterday which responded to the flow of encouraging news from across the Atlantic. Gilts edged investors found new confidence, and the authorities were soon tested for supplies of stock.

Gains in the long reached around 1 1/4 points. Short-dated stocks benefited as discount house buyers began to take notice, and rises stretched to 1/2.

Leading shares capitalised on the gilt market tone and reports of American support for selected top-quality stocks, but dealers were convinced that demand mainly emanated from UK sources.

Closing prices were the day's highest, and the FT Industrial Ordinary share index, which breached the 800 mark at the first calculation, extended this week's good rise to close 13.9 up at 809.1.

Barclays Bank rose 7p to 462p on its figures, while GEC added 10p to 194p and BP 17p to 450p.

Chief price changes, Page 24; Details, Page 25; Share information service, Page 26-27.

TOKYO

Five figures regained at one bound

BLUE-CHIP stocks soared in Tokyo yesterday in response to an overnight surge on Wall Street and pushed the Nikkei-Dow market average above the 10,000 level, writes Shigeo Nishiwaki of Jiji Press.

Market activity picked up early, with buying interest reviving in blue chips - particularly Hitachi, which jumped ¥45 to ¥845. Some incentive-backed issues were also traded actively.

The Nikkei-Dow index, after four consecutive losing sessions, gained 138.47 to 10,086.87. But volume slowed to 329.29m shares from Wednesday's 398.43m, as trading subsided in the afternoon.

The market has been in a correction phase over the past fortnight, with investors preoccupied by fears of higher U.S. interest rates and concern about the continued high level of margin debt.

Small-lot buying by two securities companies - Daiwa and Nikko - helped spur demand for good-quality issues. NEC added ¥70 to ¥1,160, Matsushita Electric Industrial ¥80 to ¥1,580 and Canon ¥60 to ¥1,190.

High-priced blue chips also advanced, with TDK adding ¥480 to ¥5,300, Kyocera ¥240 to ¥5,940, Sony ¥140 to ¥3,490 and Victor ¥190 to ¥2,390.

Blue chips thus regained their leadership status, although large securities houses commented that, for the present, the fortunes of the market will hinge on Wall Street's performance.

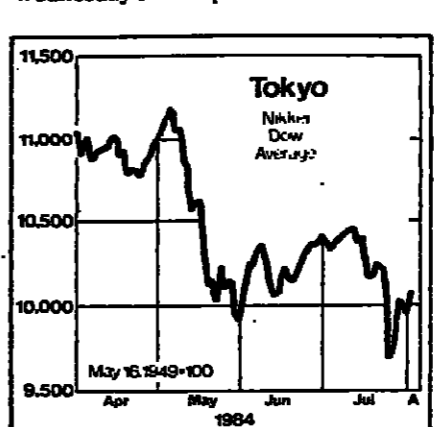
Despite the pronounced rebound, trading volume was relatively light at 3.98m shares for Hitachi, the 11th largest of all stocks traded. 1.22m for Matsushita Electric, 1.25m for Fuji, 0.97m for TDK, 0.34m for Victor and 0.6m for Sony.

Toyoda, a biotechnology-related stock, topped the active list with 34.78m shares changing hands, but remained unchanged at ¥375. Sanyo-Kokusaku Pulp came second at 15.11m shares and eased ¥3 to ¥323. The recently favoured incentive-backed issues generally weakened under the impact of profit-taking against fears of a shift of interest to blue chips.

Sanko Steamship, Shokusan Jutaku and General Corporation all lost ground on rumors of financial pressures and shed ¥150 to ¥105, ¥65 to ¥130 and ¥58 to ¥211 respectively.

The bond market firmed, reflecting the strengthening of bond prices in the U.S. One trust bank bought ¥20bn worth of long-term government bonds with more than nine years remaining to maturity, while some city banks sold bonds in small lots.

The yield on the benchmark 7.5 per cent government bond maturing in January 1993 dipped to 7.44 per cent from Wednesday's 7.465 per cent.



EUROPE

Foreigners help fuel Frankfurt

THE EASIER tone of the dollar on the foreign exchanges and the overnight lead given by Wall Street provided the spur for another strong performance in many European centres yesterday.

Foreign demand helped to fuel an early rally in Frankfurt which was reflected in an 11.8 advance to 965.5 for the Commerzbank index at mid-session. However, many shares ended off their best levels as profit-taking became evident in the wake of the hefty advance of the past two sessions.

The banking sector came under scrutiny as both Deutsche Bank and Bayerische Hypobank announced lower par-

tial first-half operating profits. Deutsche shed DM 1 to DM 338.50, and Hypobank ended unchanged at DM 259. Bayerische Vereinsbank added DM 2 to DM 299 ahead of its announcement of lower first-half results.

The motor sector was again firmer, but advances were more restrained than recently. Daimler added DM 2.50 to DM 544, BMW DM 1.30 to DM 377.50, VW DM 1.50 to DM 174.50 and Porsche DM 1 to DM 971.

Siemens led the electricals higher, adding DM 6 to DM 380 after its announcement of higher group net profit for the first nine months.

Bonds were higher, and the Bundesbank sold DM 50.9m of paper into the market, sharply up on Wednesday's sales, which totalled DM 21.4m.

Turnover returned to an active level in Amsterdam after recent restraint, with institutional demand taking the market higher. The ANP-CBS General index added 3.8 to 153.

Some early profit-taking was seen in KLM, but the share rebounded to close up Ff 2.30 at Ff 172.30. Royal Dutch continued its firmer trend, adding Ff 6.50 to Ff 146.30.

Bonds were higher with particular interest shown in higher-coupon issues. Brussels also firmed in lively trading with the SE index up 2.17 to 146.48. Particular demand was identified from investment funds and professional traders on expectations of further strong advances later in the summer.

Zurich returned after Wednesday's holiday and produced an improved result in higher volume than has been seen during the recent period of sluggishness.

Bonds were slightly higher in thin volume. Shares advanced across the board in Paris. In the rubber sector Michelin rose Ff 30 to Ff 780, while in electricals, Matra added Ff 22 to Ff 1,385.

Oils were also firmer after recent weakness, with Esso up Ff 13 to Ff 590 and Cie Française de Raffinage Ff 2.25 ahead at Ff 77.50.

Milan saw an active session with prices buoyed in the wake of Wednesday's confidence vote for the coalition Government. Bonds were selectively firmer in lively trading.

Madrid ended mixed though the bourse index, up 0.87 at 136.51, recorded its sixth successive high for the year. Stockholm was higher with attention again focused on Ericsson, which continued a week-long rise by adding Skr 12 to Skr 340.

KEY MARKET MONITORS. Multiple tables showing stock market indices (Frankfurt, Paris, Tokyo, etc.), currencies, interest rates, and commodities for various regions and time periods.

HONG KONG

THE EXUBERANT Hong Kong opening could not be fully sustained all the way through, but the end of the day left share values substantially enhanced almost without exception. The 66.95 leap in the Hang Seng index to 893.69 was the sharpest for 2 1/2 years.

Even ahead of news of the local prime rate cut, Cheung Kong on the property side gained 65 cents to HK\$8.15, trading house Jardine Matheson the same amount to HK\$7.15, China Light 80 cents to HK\$11.40 and Hongkong and Shanghai Bank 50 cents to HK\$6.40.

SINGAPORE

RECORD TURNOVER took Singapore higher again after Wednesday's lull, and while profit-takers were cashing in on some gains achieved over the past week, selling was easily absorbed.

The plantation sector strove to catch up, with prominent rises of 16 cents apiece for K. L. Lepong at S\$2.86 and Highlands and Lowlands at S\$2.69. Pan Electric, once more volume leader, added 14 cents to S\$3.30, while Malayan Banking was one of the few casualties with a 20-cent fall to S\$8.60.

AUSTRALIA

A STRONG Sydney rally returned many leading issues to levels not seen since mid-May, as the resource side joined in an upturn established by the industrial sector the previous day.

BHP jumped 26 cents to regain the AS10 mark, while Western Mining moved to AS3 with a 15-cent rise. Tin miner Aberfoyle, a potential takeover candidate after its Tasmania metal finds, added 50 cents more to AS6.10 for a four-day leap of AS2.50 or 44.6 per cent.

News Corporation jumped 60 cents to AS9.90 on the profits expected from a sale of its St Regis stake in the U.S.

SOUTH AFRICA

THE RESPONSE by Johannesburg golds to a better showing in bullion values was firm but subdued, with a slight recovery in the rand acting as a restraint.

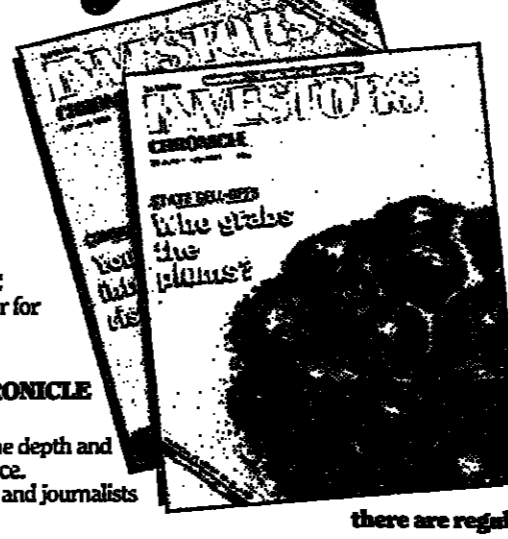
Vaal Reefs added R2.50 to R157, while Anglo-American put on 75 cents to R21.75. Away from the gold boards, De Beers found 35 cents more at R8.70.

Among dull industrials, Rennie's picked up 15 cents to R12.25 as first hints of a merger with Safmarine emerged.

CANADA

ACTIVE Toronto dealings took all sectors higher, but the improvement in base metal and mineral issues was particularly sharp.

The DIY magazine for the money enthusiast



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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing closing prices for various stocks, including columns for stock names, prices, and volume. The table is organized into multiple sections, possibly by sector or price range.

Handwritten text or scribble at the bottom center of the page.

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

هنگامه احوال

Main table of American stock exchange closing prices, organized by stock ticker symbols (A-Z) and including columns for 12-month high/low, current price, and change.

Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized by stock ticker symbols (A-Z) and including columns for 12-month high/low, current price, and change.

Continued from Page 22

Prices are unofficial... (Footnote text regarding price accuracy and data sources)

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Table of world stock markets including Austria, Germany, Norway, Australia, Japan, and Over-the-Counter. Includes columns for stock names, prices, and changes.

Table of American Stock Exchange Closing Prices, listing various US stocks and their closing values.

Table of Energy Review, listing energy-related stocks and their performance.

ENERGY REVIEW - every Wednesday in the Financial Times

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Gilts lead as market tempo increases strongly behind encouraging U.S. news

Account Dealing Dates

First Declared Last Account Dealing Dates Day July 26 July 27 Aug 6 Aug 13 Aug 14 Aug 20 Aug 27 Aug 28 Aug 31 Sept 10

Government securities spearheaded a strong advance in London which, in common with other international stock markets, responded to the flow of encouraging news from across the Atlantic. Gilts edged investors found new confidence and the authorities were soon tested for supplies of stock.

Stock shortages were exacerbated as the weight for money searching for a home increased. Institutional and smaller investors were both active, wanting to invest in Gilts ranging from short to ultra-long life.

Shortly before the official 3.30 pm close, gains in the longs were approaching two points but in relatively quiet after-hours trading they were pushed back around 11 points. Short-dated stocks benefited as Discount House buyers began to take notice and, after a session of uninterupted advances, prices stretched to 3. Index-linked stocks were not ignored, achieving improvements extending to 1/2.

Leading shares capitalised on the gilt market tone and reports of American support for top-quality stocks. Wal Street's upsurge, which continued early yesterday, undoubtedly inspired revived demand but dealers were convinced that it is mainly emanated from UK sources.

Closing prices were the day's highest and the Industrial Ordinary index, which breached the 80 mark at the first calculation, extended this week's good rise to close 13.9 up at 806.1, in the past four sessions, the measure has risen 31.7.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Year Aug 2 1984, and various stock indices like CAPITAL GOODS, Building Materials, etc.

Table with columns: FIXED INTEREST, PRICE RANGES, and FT-100 SHARE INDEX

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc., with columns for Aug 2, Aug 1, July 31, July 27, July 26, and year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines, along with S.E. Activity for various sectors like Gilts, Edged, etc.

stocks were well to the fore with CRA advancing 15 to 308p. Western Mining 11 to 194p and Bengeville 10 to 101p.

Activity in Traded Options improved significantly and total contracts struck amounted to 5,524 - well above recent volume.

United Newspapers stood out, rising 15 to 289p; the interim figures are expected next month.

Ocean Transport rallied 4 to 117p on cautious newspaper comment on the first-half figures.

Trust spurred 21 to 215p after the announcement that the company is in receipt of two tentative takeover approaches.

The rally in Forties and Brent crude prices proved particularly beneficial to BP and Shell.

The easier trend in the dollar and a subsequent rise in the bullion price encouraged a strong showing throughout mining markets.

South African Golds were particularly wanted and responded positively to the rally in the gold and silver.

The surprise announcement that the pricing of package tours has been referred to the Monopolies Commission put the brake on recent ebullient holiday concerns.

Press comment highlighting the recent revival in the fortunes of selected Engineering concerns directed investment attention towards Motor and Aircraft component manufacturers.

London-domiciled Financials were highlighted by Consolidated Gold Fields which moved up 17 to 482p on persistent small buy-in interest.

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United Newspapers stood out, rising 15 to 289p; the interim figures are expected next month.

Ocean Transport rallied 4 to 117p on cautious newspaper comment on the first-half figures.

Trust spurred 21 to 215p after the announcement that the company is in receipt of two tentative takeover approaches.

The rally in Forties and Brent crude prices proved particularly beneficial to BP and Shell.

The easier trend in the dollar and a subsequent rise in the bullion price encouraged a strong showing throughout mining markets.

South African Golds were particularly wanted and responded positively to the rally in the gold and silver.

The surprise announcement that the pricing of package tours has been referred to the Monopolies Commission put the brake on recent ebullient holiday concerns.

Press comment highlighting the recent revival in the fortunes of selected Engineering concerns directed investment attention towards Motor and Aircraft component manufacturers.

London-domiciled Financials were highlighted by Consolidated Gold Fields which moved up 17 to 482p on persistent small buy-in interest.

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EQUITIES

Table listing various equities with columns for Stock, 1984 High/Low, and other financial metrics.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Stock, 1984 High/Low, and other financial metrics.

WEDNESDAY'S ACTIVE STOCKS

Table listing active stocks for Wednesday with columns for Stock, 1984 High/Low, and other financial metrics.

NEW HIGHS AND LOWS FOR 1984

Table listing new highs and lows for 1984 with columns for Stock, 1984 High/Low, and other financial metrics.

OPTIONS

Table listing options with columns for Stock, 1984 High/Low, and other financial metrics.

LONDON TRADED OPTIONS

Table listing London traded options with columns for Stock, 1984 High/Low, and other financial metrics.

EUROPEAN OPTIONS EXCHANGE

Table listing European options exchange with columns for Series, Vol., and other financial metrics.

FT-100 Share Index: 1099.1 (+1.0) 1099.2 1099.4 ... 1099.5 1099.6 1099.7

Design, Construct & Engineer
BUILDING SUCCESS
Stratford-upon-Avon 0789 204288

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

Five to Fifteen Years

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

Over Fifteen Years

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

Undated

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

Index-Linked

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

CORPORATION LOANS

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

LOANS

Building Societies

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

Public Board and Ind.

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

Financial

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

FOREIGN BONDS & RAILS

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

FT LONDON SHARE INFORMATION SERVICE

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

AMERICANS

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

BEERS, WINES & SPIRITS

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

DRAPERY & STORES—Cont.

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

High	Low	Stock	Price	Chg.	Yield
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24
1000	1000	Investor Growth	10.25	+	12.24

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Financial Times Friday August 3 1984

INDUSTRIALS—Continued

Table of stock prices for various industrial companies, including columns for High, Low, Stock, Price, and % Change.

LEISURE—Continued

Table of stock prices for leisure-related companies, including columns for High, Low, Stock, Price, and % Change.

PROPERTY—Continued

Table of stock prices for property-related companies, including columns for High, Low, Stock, Price, and % Change.

INVESTMENT TRUSTS—Cont.

Table of stock prices for investment trusts, including columns for High, Low, Stock, Price, and % Change.

OIL AND GAS—Continued

Table of stock prices for oil and gas companies, including columns for High, Low, Stock, Price, and % Change.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motor and aircraft trade companies, including columns for High, Low, Stock, Price, and % Change.

COMMERCIAL VEHICLES

Table of stock prices for commercial vehicle companies, including columns for High, Low, Stock, Price, and % Change.

SHIPPING

Table of stock prices for shipping companies, including columns for High, Low, Stock, Price, and % Change.

SHOES AND LEATHER

Table of stock prices for shoes and leather companies, including columns for High, Low, Stock, Price, and % Change.

SOUTH AFRICANS

Table of stock prices for South African companies, including columns for High, Low, Stock, Price, and % Change.

NEWSPAPERS, PUBLISHERS

Table of stock prices for newspaper and publishing companies, including columns for High, Low, Stock, Price, and % Change.

PAPER, PRINTING ADVERTISING

Table of stock prices for paper, printing, and advertising companies, including columns for High, Low, Stock, Price, and % Change.

TEXTILES

Table of stock prices for textile companies, including columns for High, Low, Stock, Price, and % Change.

OVERSEAS TRADERS

Table of stock prices for overseas trading companies, including columns for High, Low, Stock, Price, and % Change.

PLANTATIONS

Table of stock prices for plantation companies, including columns for High, Low, Stock, Price, and % Change.

INSURANCES

Table of stock prices for insurance companies, including columns for High, Low, Stock, Price, and % Change.

PROPERTY

Table of stock prices for property companies, including columns for High, Low, Stock, Price, and % Change.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies, including columns for High, Low, Stock, Price, and % Change.

TOBACCO

Table of stock prices for tobacco companies, including columns for High, Low, Stock, Price, and % Change.

LEISURE

Table of stock prices for leisure companies, including columns for High, Low, Stock, Price, and % Change.

DAIWA BANK advertisement with logo and contact information.

MINES—Continued

Table of stock prices for mining companies, including columns for High, Low, Stock, Price, and % Change.

NOTES

Textual notes and financial information regarding mining stocks.

MINES

Table of stock prices for mining companies, including columns for High, Low, Stock, Price, and % Change.

CENTRAL RAND

Table of stock prices for Central Rand mining companies, including columns for High, Low, Stock, Price, and % Change.

EASTERN RAND

Table of stock prices for Eastern Rand mining companies, including columns for High, Low, Stock, Price, and % Change.

FAR WEST RAND

Table of stock prices for Far West Rand mining companies, including columns for High, Low, Stock, Price, and % Change.

O.F.S.

Table of stock prices for O.F.S. mining companies, including columns for High, Low, Stock, Price, and % Change.

DIAMOND AND PLATINUM

Table of stock prices for diamond and platinum companies, including columns for High, Low, Stock, Price, and % Change.

Additional financial information and notes at the bottom of the page.

28 AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst Mgrs, British Group-Continued, and others, with columns for fund names and performance metrics.

Table listing unit trusts under the heading 'Key Fund Managers Ltd. (a)(g)', including names like Key Fund Managers Ltd and various fund names.

Table listing unit trusts under the heading 'Perpetual Unit Trust Mgmt. (a) (g)', including names like Perpetual Unit Trust Mgmt and various fund names.

Table listing unit trusts under the heading 'Trusts, Bennett Unit Trust Mgmt. Ltd.', including names like Bennett Unit Trust Mgmt and various fund names.

Table listing unit trusts under the heading 'Traded Unit Trust Managers', including names like Traded Unit Trust Managers and various fund names.

Table listing unit trusts under the heading 'City of Westminster Assurance', including names like City of Westminster Assurance and various fund names.

F.T. CROSSWORD PUZZLE No. 5-482. Includes puzzle grid and clues for Across and Down.

Answers to the crossword puzzle, including words like 'Rope', 'Teacher', 'Shower', etc.

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Answers to the crossword puzzle, including words like 'Rope', 'Teacher', 'Shower', etc.

INSURANCES section listing various insurance companies and their services, including names like Allianz, Aviva, and others.

INSURANCE, OVERSEAS & MONEY FUNDS

Handwritten note in Arabic script: "هذا اصل الاصل"

Table of financial data for various insurance and fund companies, including Liberty Life Assurance Co Ltd, National Provident Institution, and others.

Table of financial data for insurance and fund companies, including Sava & Propper Group, Target Life Assurance Co Ltd, and others.

Table of financial data for insurance and fund companies, including GAI Investments (Holland) Ltd, Brindley Henderson Mgmt Ltd, and others.

Table of financial data for insurance and fund companies, including Marrow Midland (C) Ltd, Strathgairn Management Limited, and others.

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

COMMODITIES AND AGRICULTURE

Strong rise in silver values

BY JOHN EDWARDS
SILVER prices were marked up strong in London yesterday, reflecting a strong advance in the New York market overnight. The London bullion spot price was raised by 22.85p to 561.75p an ounce at the morning fixing. Values moved further ahead in the afternoon with the spot price closing at 568p.

Supply fears push up cocoa price

BY RICHARD MOONEY
CONCERN OVER the tight supply situation continued to dominate trading on the London cocoa futures market yesterday, pushing the premium for prompt delivery even higher.

West German physical buying interest was a further bullish factor, dealers said. The prompt September position ended that day 530.30 up at £1,793 a tonne while December cocoa, the second position, gained only 22.50 to £1,682 a tonne.

India aims to boost agricultural output

NEW DELHI—The Agriculture Ministry said India is targeted to produce more foodgrains, sugarcane, cotton and jute in the 1984-85 crop years by bringing more areas under high-yielding seeds and improving farm inputs.

Asian recovery may increase rice demand

THE economic recovery in South Asia, while still fragile, will do little to boost the world's sagging wheat trade, but demand for rice may be higher than last year, according to the U.S. Department of Agriculture (USDA).

Diversifying away from EEC dependency

THE 1984 Review of Agriculture says public spending on UK farming although will increase to £1,688bn, of which £1,082bn is recoverable from the EEC. This expenditure covers price support, capital grants and every other form of farming assistance.

Farmer's viewpoint: By John Cherrington

Mr Jopling, backed by the NFU, favours what he calls price restraint for cereals rather than quotas or any means of rationing production. This can only mean more output as farmers seek to reduce unit costs by increasing production.

PRICE CHANGES

Table with 4 columns: Commodity, Unit, Price, Change. Includes items like Metals, Tin, Tungsten, Wolfram, Zirconium, and various grades of tin.

BRITISH COMMODITY PRICES

Table with 4 columns: Commodity, Grade, Price, Change. Includes items like BASE METALS, COPPER, TIN, ZINC, COCOA, and RUBBER.

AMERICAN MARKETS

Table with 4 columns: Commodity, Grade, Price, Change. Includes items like SOYBEAN MEAL, MEAT/FISH, and various grades of soybean meal.

LONDON OIL

A strong New York prompted an opening 84-higher and, supported by physicals, the gas oil market moved quickly upwards in response to a selling encouraged profit-taking and it dropped quickly to its mid-range but it moved steadily up to make new highs on the close as new fuel, reports Premier Man.

SPOT PRICES

Table with 4 columns: Commodity, Price, Change. Includes items like Arabican Light, Dubai Heavy, and Arab Heavy.

GOLD MARKETS

Gold rose \$34 from Wednesday's close in the London bullion market yesterday to finish at \$343.544. It opened at \$341.245 and traded between a high of \$345.346 and a low of \$342.343. The morning fix at \$344.15 and the afternoon fix at \$344.

EUROPEAN MARKETS

Wheat—U.S. 5¢ per bushel. U.S. Two Yellow Northern Spring 17.5¢ per bushel. U.S. Three Hard Amber Durum 18.0¢ per bushel. U.S. No. 1 Hard Amber Durum 18.5¢ per bushel.

BASE METALS

Table with 4 columns: Commodity, Price, Change. Includes items like BASE-METAL PRICES, COPPER, TIN, ZINC, and COCOA.

PIGMEAT

Table with 4 columns: Commodity, Price, Change. Includes items like PIGMEAT, WOOL FUTURES, HIDES, and INDICES.

CHICAGO

Table with 4 columns: Commodity, Price, Change. Includes items like LIVE CATTLE, SOYBEAN MEAL, and MEAT/FISH.

GRAINS

The markets rose by up to 50p on follow-through buying but met reasonable country hedge selling to steady the market around 39p, reports Mulcaire.

SOYBEAN MEAL

The market opened unchanged to 50p higher, reports T. G. Roddick. A brisk trade in heavy volumes as prices rose steadily.

MEAT/FISH

MEAT COMMISSION—Average latest prices at representative markets: GB—Cattle 92.20p per lb (1-0.31); GB—Sheep 144.02p per lb (1-0.21).

WHEAT

Table with 4 columns: Commodity, Price, Change. Includes items like WHEAT, ALUMINIUM, and NICKEL.

ALUMINIUM

Table with 4 columns: Commodity, Price, Change. Includes items like ALUMINIUM, NICKEL, and various grades of aluminum.

NICKEL

Table with 4 columns: Commodity, Price, Change. Includes items like NICKEL and various grades of nickel.

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سوق اوراق ائتمالية

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Profit taking hits dollar

The dollar weakened on the foreign exchange yesterday, 1.2210. Trade-weighted index...

Remaining firm

Prices remained firm on the London International Financial Futures Exchange yesterday as...

APPOINTMENTS

Fairey makes changes

FAIREY HOLDINGS, engineering sector of Pearson, has appointed Mr James Sheerin as chief executive...

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, % change from central rate, % change against ECU, Divergence limit %.

LONDON

Table with columns: Date, Close, High, Low, Prev. Close.

CHICAGO

Table with columns: Date, Close, High, Low, Prev. Close.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, Six months.

THE DOLLAR SPOT AND FORWARD

Table with columns: Aug 2, Day's spread, Close, One month, Three months, Six months.

OTHER CURRENCIES

Table with columns: Country, Aug 2, £, \$, DM, etc.

CURRENCY MOVEMENTS

Table with columns: Country, Bank of England, Morgan Guaranty, etc.

CURRENCY RATES

Table with columns: Country, Bank of England, Morgan Guaranty, etc.

EXCHANGE CROSS RATES

Table with columns: Aug 1, Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Aug 2, Starting, U.S. Dollar, Canadian Dollar, etc.

MONEY MARKETS

London rates continue to ease

The easier trend in London money markets yesterday continued yesterday as sterling held steady...

MONEY RATES

Table with columns: Aug 2, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin.

LONDON MONEY RATES

Table with columns: Aug 2, Starting, Certificate of deposit, Interbank, etc.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING, 11.00 a.m. August 2, 3 months U.S. dollars, etc.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Aug 2, Starting, Certificate of deposit, Interbank, etc.

WORLD VALUE OF THE DOLLAR

Table with columns: COUNTRY, CURRENCY, VALUE OF DOLLAR.

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Friday, August 3, 1984.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING, 11.00 a.m. August 2, 3 months U.S. dollars, etc.

MONEY RATES

Table with columns: Aug 2, Starting, Certificate of deposit, Interbank, etc.

Table with columns: COUNTRY, CURRENCY, VALUE OF DOLLAR.

n.a. Not available. (a) Market rate. (b) U.S. dollars per National Currency unit. (c) Official rate. (d) Floating market rate. (e) Floating market rate. (f) Floating market rate. (g) Floating market rate. (h) Floating market rate. (i) Floating market rate. (j) Floating market rate. (k) Floating market rate. (l) Floating market rate. (m) Floating market rate. (n) Floating market rate. (o) Floating market rate. (p) Floating market rate. (q) Floating market rate. (r) Floating market rate. (s) Floating market rate. (t) Floating market rate. (u) Floating market rate. (v) Floating market rate. (w) Floating market rate. (x) Floating market rate. (y) Floating market rate. (z) Floating market rate.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 2.

Table of international bond issues with columns for country, issue name, amount, bid, offer, and yield. Includes sections for U.S. Dollar, Sterling, Swiss Franc, Yen, and other currencies.

CAPITAL MARKETS

EUROBONDS

Weekly rate fixing enhances floaters

BY PETER MONTAGNAN, EUROMARKETS CORRESPONDENT, IN LONDON

Manufacturers Hanover launched a \$150m subordinated floating rate note in the Euro-markets yesterday. Like the recent issue for Citicorp the conditions provide for a weekly interest rate fixing.

Credit Suisse First Boston, which is leading the deal alongside Deutsche Bank, Manufacturers Hanover itself and Merrill Lynch, calculates that since 1975 the average difference between one week and six-month deposit rates has been 82 basis points.

The manufacturers deal was the only new issue in the Eurodollar

Table titled 'WEEKLY U.S. BOND YIELDS (%)' showing yields for various bond categories like Composite Corp. AA, Government, Long-term, etc.

FINANCIAL TIMES

BY HAND-DELIVERY IN LYON? Subscribers in the centre of Lyon and La Part Dieu are now able to receive their copy early on the day of publication.

BNP in Taiwan advertisement. Includes logo, headline 'BNP in Taiwan', sub-headline 'Adding to its network in ASIA BNP upgraded its representative office in TAIPEI', address '214 Tun Hua Road, 7th floor Financial Building TAIPEI, TAIWAN', and contact info 'Tel. (2) 731.11.67 Telex 22000 BNPTPE 20978 BNPFE'.

OVER-THE-COUNTER

Large table of over-the-counter stock prices with columns for stock name, sales, high, low, last, and change. Includes sections for Continued from Page 24, P-Q, R-S, T-U, V-W, X-Y, and Z.

Moët-Hennessy advertisement. Features the Moët-Hennessy logo, headline 'Moët-Hennessy', sub-headline '7 per cent. Convertible Bonds due 1999', and list of financial institutions: 'Crédit Lyonnais, Morgan Grenfell & Co. Limited, Dillon, Read Limited, Morgan Stanley International, Banque Paribas, Chase Manhattan Limited, Credit Suisse First Boston Limited, Deutsche Bank Aktiengesellschaft, Hambros Bank Limited, Morgan Guaranty Ltd'.

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